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# INSTITUTE OF PACIFIC RELATIONS

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## HEARINGS

BEFORE THE

SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION  
OF THE INTERNAL SECURITY ACT AND OTHER  
INTERNAL SECURITY LAWS

OF THE

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

EIGHTY-SECOND CONGRESS

FIRST SESSION

ON

THE INSTITUTE OF PACIFIC RELATIONS

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### PART 5

OCTOBER 12, 17, 18, AND 19, 1951

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Printed for the use of the Committee on the Judiciary

~~Kirkland Business Branch~~

DEC 24 1952









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WASHINGTON : 1951

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# INSTITUTE OF PACIFIC RELATIONS

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# INSTITUTE OF PACIFIC RELATIONS

FRIDAY, OCTOBER 12, 1951

UNITED STATES SENATE,  
SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION  
OF THE INTERNAL SECURITY ACT AND OTHER INTERNAL  
SECURITY LAWS, OF THE COMMITTEE ON THE JUDICIARY,  
*Washington, D. C.*

The subcommittee met at 10:30 a. m., pursuant to call, in room 424, Senate Office Building, Hon. Pat McCarran (chairman) presiding.

Present: Senators McCarran, Smith, and Ferguson.

Also present: Senator Millikin; J. G. Sourwine, committee counsel; Robert Morris, subcommittee counsel; Benjamin Mandel, director of research; and Prof. Kenneth Colegrove, Northwestern University.

The CHAIRMAN. The committee will come to order.

Mr. MORRIS, you may proceed.

Mr. MORRIS. Mr. Chairman, I believe Governor Stassen has been sworn.

The CHAIRMAN. Governor Stassen has been sworn, not once, but twice to my certain knowledge.

Mr. MORRIS. And pursuant to direction we had Governor Stassen recalled in order that he might make an analysis of the transcript which was released yesterday by the State Department and make comparisons between the transcript and his testimony, and for that reason he has been called here this morning, to show whether or not the transcript justifies his testimony.

The CHAIRMAN. Governor, you may proceed.

Mr. MORRIS. Mr. Chairman, this letter that you prepared is now ready, and it bears on this matter, so I think it would be just as well to read it at the outset. [Reading:]

OCTOBER 12, 1951.

Hon. DEAN ACHESON,  
*Secretary of State, Washington, D. C.*

MY DEAR MR. SECRETARY: Thank you for making available to the Internal Security Subcommittee a transcript of the October 6, 7, and 8, 1949, round-table conference.

I notice that the list of questions submitted to the conferees does not appear in the transcript. Inasmuch as this is an integral part of the record, will you make this available?

The Internal Security Subcommittee would also like to have a copy of the memoranda submitted by individuals, together with a list of those submitting memoranda, and a list of those invited to the conference.

Your kind cooperation will be appreciated.

Sincerely,

PAT MCCARRAN, *Chairman.*

The CHAIRMAN. Very well.

Mr. MORRIS. Governor Stassen, have you had an opportunity to study the transcript made available to you?



**TESTIMONY OF HAROLD E. STASSEN, PRESIDENT, UNIVERSITY OF PENNSYLVANIA**

Mr. STASSEN. I had a limited opportunity to study it last night, Mr. Morris and Senator, and we have gone through it quite thoroughly within the limitations of time.

Mr. MORRIS. Governor Stassen, will you point out to us that portion of the transcript which bears out the testimony that you have given before this subcommittee?

Mr. STASSEN. Senator and gentlemen of the committee, I would like to state first that I appear in response to your request that I return for further examination by you upon the transcript which is now released of the October 6, 7, and 8, 1949, conference at the State Department.

I wish to commend you, if I may, sir, on your successful effort in getting this to be a public record, and I would respectfully suggest for your consideration that it ought at some time to become printed so that it would be available in the academic circles in the country as a minimum.

I say to you again that I will endeavor to answer your questions fairly and objectively from the facts as I know them. I will refer frequently to the transcript this morning, and as a witness I will not assess motives to anyone. I am not here as an associate of anyone else, nor for the purpose of attacking anyone else. I responded to your subpoena, and I will answer fully and carefully because of the great importance of the subject under inquiry.

You will recall that I testified on October 1, 1951, that the prevailing group in the conference was led in the discussions by Mr. Owen Lattimore and Mr. Lawrence Rosinger. You will also recall that the State Department on the next morning issued a press release which denied my testimony and that Mr. Lattimore and Mr. Rosinger also issued press releases which denied my testimony; and you will also be aware that this morning the papers carry a State Department press release which says that I am "factually incorrect."

Therefore, I will proceed to carefully analyze the transcript in relation to my previous testimony, but more important than that, also in relation to the basic issues which were then and are now before the country, because I should like to state, sir, that my greatest interest in this matter is because of my extreme concern that I can see now in its early stages a similar world-wide pattern of action which would have as its consequence the undermining of the Congress Party of India and of Premier Nehru and the turning of India to the domination of the Communist Party of India, and all over the world men who participated in the pattern of action with relation to China are now shifting to India, so that is the background from which we now proceed, with your permission, Senator, in this very careful analysis of this paper on our China policy.

The transcript, now at long last released, clearly proves the correctness of my memory of the conference and the truth of my description of it. I testified as this prevailing group, and I might just make this first comment, not that this in itself is important proof, but it is a detail.

Through this transcript you will find, sir, that Mr. Owen Lattimore, exclusive of questions during the briefing by the military, spoke 19

times, of which 8 times were substantial, and that Mr. Lawrence Rosinger spoke 11 times, of which 5 times were substantial, and you will not find any twin participation in major degree similar to that on the part of any other of the 30 or so participants.

That, of course, is just broad background for the analysis that I now present.

Mr. MORRIS. And that shows, Governor Stassen, that they led the conference; is that right, sir?

Mr. STASSEN. That is just one factor to consider, of course. The volubility alone would not be proof of leading a discussion, as we all know, but it is one factor. It does, though, bear out the testimony that I gave earlier on your examination at a time when I did not have the transcript. You asked how frequently did Lattimore speak while I was present, and I said, "I would say eight or nine times and Rosinger five or six times," so the transcript now released bears out that testimony of mine and the testimony of Dr. Colegrove, which was given before I appeared on the scene, before you subpoenaed me.

Mr. MORRIS. And you were present 2 of the 3 days, were you not?

Mr. STASSEN. That is right.

I testified before you, sir, on October 1 that this prevailing group recommended that the United States should recognize the Communist People's Republic Government of China under the leadership of Mao Tse-tung at an early date. The key session of the conference on this subject was on the third day, October 8, 1949, beginning at 9 a. m.

The transcript has an ink number, No. 15-E—I don't know what that means—but in any event it is the transcript under date of October 8, 1949, beginning at 9 a. m., and in this transcript, if you turn beyond where General Marshall was speaking, you come down to the point at which the most important section of the transcript on this particular issue and on some other issues is found.

The CHAIRMAN. That is on what page of the transcript, Governor?

Mr. STASSEN. We now turn to page 31 of this transcript for the 8th of October, beginning at 9 a. m., page 31 on the right-hand side, B-1 in the center. It has a double label. The chairman who is speaking here is Dr. Jessup, so on top of the page where it says "Chairman" that is Dr. Jessup, and you will see that he says this:

Gentlemen, in the time which is left to us, with your permission what I would like to do would be to see if we can get your views rather specifically on a number of issues. \* \* \*

And then you run down to the beginning of the second paragraph and he said:

I would like to suggest that we might have a few minutes taking up the question of the recognition of the Communist Government in China. \* \* \*

So that this discussion which follows arose as the direct result of the request of Dr. Jessup that we focus on that specific issue. You will recall that many releases and statements have indicated that the discussion of recognition was a sort of incidental thing while 30 men were discussing many problems.

This then definitely pins that this discussion came about as the request of Dr. Jessup focusing the whole group specifically on this problem, and I think this record should also show that in the testimony before the Sparkman committee Dr. Jessup testified that the United States had not considered or contemplated—he used both words—the recognition of Communist China.



Now, then, the key discussion of this follows in these pages and for any real analysis everything from this page 31 on through should be read, but I will now point to high lights in order to focus on what is involved.

On page 40 Dr. Nathaniel Peffer on the bottom of the page begins some of the most significant statements. You will see that Mr. Nathaniel Peffer says this:

I would also make it a matter of timing and I would wait. I would wait 4 weeks or 5 or 6 weeks \* \* \*.

Then he goes on to say:

I don't know when the Communists will get to Canton, but I would guess not over 6 or 7 weeks. The only other Chinese regime will be in Formosa, which is, at least technically, not Chinese territory. It is still Japanese.

Then he goes on.

On page 43 you find an important thing. Now, some of those who were arguing against recognition as they saw the prevailing opinion developing the other way urged that furthermore, beyond everything else, there was a strong opinion in the country and in Congress against the recognition.

This was not the sole basis of opposition to the recognition, but it was one of the arguments advanced, so here you see Mr. Peffer taking up that argument. He says on page 43, the second paragraph, page B-13, second paragraph:

If this country—the most powerful in the world at the most dangerous time in the world—is at a stage in which the Government is hog-tied against its better judgment because some people are going to blow up, then God alone help the Republic. That is all.

And then the stenographer records applause to that. In other words, this was a sharp rejoinder to those in the minority who had pleaded that there should not be recognition, and the stenographer records applause, and applause was of course rare—in fact, almost unheard of—in this kind of a conference with 30 men sitting around the table.

Senator FERGUSON. Do you know of any other occasions where there was an applause?

Mr. STASSEN. There was one time. There was a comment of "Hear, hear," or something of a similar vein from the floor.

Senator FERGUSON. But no applause like this?

Mr. STASSEN. I think there was an applause when General Marshall concluded his report; instances of that kind. I do not know of any other instance than this one and the "Hear, hear" when a substantive statement of policy was greeted with applause as distinguished from greeting some individual with applause or some courtesy with applause.

If I may just conclude that, on page 42 you find that Mr. Peffer says:

Let us say that there is an American Congress—and I don't know that they are synonymous—and suppose it is true the State of Oregon blows up. Well, it will settle \* \* \*.

And on page 43, the end of the first paragraph, you will find him saying this:

There is no real argument against real recognition except that a lot of people are going to blow up.

It is after he has said these things and concludes that there is the applause from this conference.

Senator SMITH. I want to ask you about an item on page 41, the beginning of the paragraph on that page:

Another matter. Tell me, is not the burden of proving on those who don't want to recognize? The Communists are there. They are going to take 20, 30, 40 years. Who knows? What do you lose by recognizing?

I was wondering if that was part of the statement that got the applause.

Mr. STASSEN. Those two and a half pages was his statement, and what you just read was included, which winds up with the applause.

If I may, I would like to go on to page 48 where Owen Lattimore is speaking, and he opens it up:

Mr. Chairman—

they are addressing Dr. Jessup—

I think I am definitely encouraged by the evident trend this morning, which shows that we should proceed from facts rather than from subjective attitudes. \* \* \*

The CHAIRMAN. What page is that?

Mr. STASSEN. Page 48, C-1.

The CHAIRMAN. Some of them are not numbered the same.

Mr. STASSEN. It says:

CHAIRMAN. Mr. Lattimore.

He is being called on, and his first sentence is:

Mr. Chairman, I think I am definitely encouraged by the evident trend this morning, which shows that we should proceed from facts rather than from subjective attitudes. I hope the Department feels its hand strengthened, but if we \* \* \*.

And so on, and then he goes on with his argument.

Mr. MORRIS. Does he argue that we should recognize Communist China at that point?

Mr. STASSEN. Clearly in the context, and then he goes beyond that. I might say the State Department release this morning admits that Mr. Lattimore did urge recognition.

Then on the bottom of page 49, about eight lines up from the bottom, he says:

Overhaste in recognizing the new situation might indicate panic \* \* \*.

And he goes on and discusses that, and then he says:

On the other hand, too much delay might have a deteriorating effect on our prestige in Asia that in the long run would be more damaging to us because there would be the feeling that while a new situation has developed and in spite of the fact, as Mr. Peffer cogently pointed out—

I might say that refers directly back to the discussion just a few minutes earlier by Mr. Peffer that we have been discussing—

that that really doesn't alter the mechanics of how we handle things in the United Nations; for instance, the veto ratio is changed but the veto situation is not changed \* \* \*.

In other words, it was another argument against that of those opposing recognition had made, that that was not just a question of recognizing the country, but you would hand to that Communist government a veto in the United Nations as one of the major nations in the



world, that that was a serious matter, and this argument, along with the others in here, was—

Well, after all, Russia had one veto now. What if you did give the Communists two vetoes? Two vetoes wouldn't do them any more good than one in that we still had one veto—

so that Mr. Lattimore directly associates himself with the argument that while this would give the Communists two vetoes, that, as he puts it—

that doesn't really alter the mechanics of how we handle things in the United Nations; for instance, the veto ratio is changed—

which means two vetoes for the Communists instead of one—

but the veto situation is not changed—

because they could still veto with only one veto.

That is trying to demolish our own insistence that there should not be prompt recognition because it would be very upsetting in the United Nations.

Senator SMITH. On page 49, and you read a part of it:

Overhaste in recognizing the new situation \* \* \*.

That meant the recognition of Communist China? Is that what that meant?

Mr. STASSEN. That is right.

Senator SMITH. There is no doubt about that?

Mr. STASSEN. As I say, I really would urge that any of you gentlemen, any editor who is going to analyze or comment on this as a student, ought to take this morning's session, and from the time General Marshall finishes to the close of the session, and read every line of it.

Senator SMITH. Then he says in the next sentence:

On the other hand, too much delay might have a deteriorating effect on our prestige in Asia \* \* \*.

That means too much delay in the recognition; is that right?

Mr. STASSEN. That's right.

Mr. MORRIS. Governor Stassen, your reference to the veto is to the fact that the five permanent members of the Security Council do have the right to veto and that China is one of the five nations with that veto power.

Mr. STASSEN. That is right. You see, there had been references in the discussion to the old recognition policy in relationship to South American countries, and so forth, and some of us presented the plea that that did not apply when you were considering a major nation with two contesting governments and with the matter of a veto seat.

We said there was no real precedent for this; this has to be analyzed on the basis of the current world situation and what you knew about China.

Senator FERGUSON. You felt that recognition of Communist China by the United States was in effect a recognition that they were entitled to the seat because we would have to break off the recognition of the Nationalist Government, which would give them no place in the United Nations as far as we were concerned?

Mr. STASSEN. I not only felt that, Senator, but I said it very specifically before that morning session was over, and you will find it later in the transcript. I said it very directly on that point.

Senator FERGUSON. Therefore in effect you had two recognitions. If you recognized them as a nation and as a government, it meant that following that you would by necessity have to recognize them in the United Nations and they would become part of the Security Council with the right of the veto?

Mr. STASSEN. That is right.

Then following through on page 54, you find comments by Mr. William S. Robertson, and he associates himself with those who are recommending recognition, and then on page 55 he reads a letter, which is a significant document. Starting before that, he said:

We have in China, as our chief executive, a man named Paul Hopkins, who is known, I think, to a good many of the people here. I think while his chief interest, of course, lies in us, I am quite sure from my knowledge of him that he is a good, loyal, and patriotic American, and he has no particular reason to like the Communists.

If I may, I would like to read to you, confidentially, from a letter which I got from him under date of September 21, which gives something of his experience in dealing with the Communists in connection with our own business. I thought it might be illuminating if that sort of thing might be put in the record.

After talking about our own affairs, he says:

"The authorities are all significantly honest, hard-working individuals who live on the barest essentials of food and clothing. They practice austerity to the point of not using electric fans or elevators in the buildings which they occupy as offices or residences. In my opinion, the extreme privation of these officers will have serious effect upon their health, particularly those with tubercular tendencies. I have found them all intelligent, very frank in discussing problems and most of them with a good sense of humor.

"There is no question but that it is a new type of people who, if not subject to outside pressure, will ultimately bring great progress to China.

"To my mind, the pessimistic future stems from the increasing breach which has developed between China and America. There are arguments on both sides, but, in my opinion, the passage of time has seemed to confuse the issue and eliminate realistic thinking, which bodes ill for everyone. I may be too close to the picture and has lost perspective. The almost daily bombing activity of the KMT—

which was the China Nationalist Force—

"and the increased miseries caused the Chinese people by those activities against nonmilitary objectives constantly irritate an open sore. Grant it be un-Anglo-Saxon to deny an ex-war partner, but evidence would seem adequate that that partner has for several years served its people so ill that it has been rejected by its own people. America is now contributing indirectly to the miseries of those people. Recognition should be withdrawn—

that is recognition from the China Nationalists—

"and the blockade of the coast broken." I thought that might be useful to the committee.

Of course, reiterating what I said before, I do not know the motives of the man who wrote the letter. I do not know whether he wrote it while he was himself under Communist domination in a Chinese city, whether he was then mistaken or mistakenly advised, or what.

Mr. MORRIS. Would that not appear to be from the expressions of Mr. Rosinger? At the very end there it says, "Thank you very much, Mr. Rosinger."

Mr. STASSEN. No. He is calling Mr. Rosinger next. The Chairman is thanking Mr. Robertson and then he calls on Mr. Rosinger. That is the way you interpret that.

Mr. SOURWINE. Governor Stassen, are you about to go to a new point?

Mr. STASSEN. A new individual on the same point.



Mr. SOURWINE. I do not mean to interrupt your train of thought, and I had a question I would like to ask about it.  
Would it interrupt you if I did so?

Mr. STASSEN. No.

Mr. SOURWINE. On page 53 Mr. Talbot was recognized and said:

I merely wanted to ask a question as to what the relations may be between this question of recognition of China, the Chinese Communist regime, and the Japanese Peace Treaty.

And the Chairman said:

I am not quite sure that I understand your point.

Was Mr. Jessup in the chair at that time? Mr. Talbot said:

I am sorry. I was wondering whether the negotiation of a Japanese peace treaty would be materially affected by the question of whether or not we recognize, before negotiating that peace treaty, the Communist regime in China.

And the Chairman said:

Could we hold that a minute until I go through my list, and come back to your question?

And then he recognized Mr. Herod. Could you tell me whether he did come back to Mr. Talbot's question?

Mr. STASSEN. He did.

Mr. SOURWINE. When you come to that point will you comment on this?

Mr. STASSEN. Yes, I will. I might say, as is indicated right here and will be found in other places, Mr. Talbot was one of those who expressed the gravest concern about the recognition recommendations. He was also one of those who made a really brilliant presentation regarding India and Nehru, which was then counterattacked by others.

Mr. MORRIS. Mr. Chairman, the State Department has just sent down a list of questions submitted to the conferees to the conference. They just arrived this minute.

Mr. STASSEN. I might say I have a copy of that list of questions, too.

On page 57 we come to the comment on this particular session by Mr. Rosinger, and he starts up on the middle of page 57:

I'd like to associate myself with the view frequently expressed around this table that we should extend recognition. My own personal feeling is that the recognition should come as early as possible \* \* \*

Then he goes on with his discussion.

On page 59 you will find in the middle of the page, and the sentence starts in the middle:

I, personally, as I have suggested, would be in favor of recognizing at the earliest feasible moment.

And then he continues on top of page 60 regarding the Isbrandtsen ships.

The CHAIRMAN. I think, Governor Stassen, that the expression following what you quoted on page 59 is significant:

I think, though, that in terms of preparing American public opinion for recognition, there is a process of disentanglement from the Chinese Nationalists, which can be carried out in the weeks ahead, and I think to the extent that we disentangle ourselves from the Chinese Nationalists, we lay the basis for recognition.

Mr. STASSEN. That is right.

On page 61 he goes into the matter of the Isbrandtsen ships and down about eight lines you will find him saying this—remember, these Isbrandtsen ships were taking supplies, including military supplies, to the Chinese Communists through the blockade or port closure which the Chinese Nationalists were then enforcing—and Mr. Rosinger there says:

Had action been taken—again I won't try to define it, I don't know the technical details—but had action been taken to defend the right of these American ships to trade through a blockade, which is not a blockade but technically a port closure, a port closure which we have already asserted we don't recognize as a blockade, had action been taken to defend the right of these ships to go through, I think it would have been very difficult for any opponents of the process of moving toward recognition to say "this shall not be done," \* \* \*.

Then, on the bottom of that page Dr. Jessup makes a comment. Right at the bottom he said:

Gentlemen, I hate to suggest any limitation on our discussion because it is extremely valuable and I think this morning has been very much to the point and extremely useful, but we do want to cover a number of other topics before we break up. I would suggest that, if we could proceed under informal, 5-minute rule and make our remarks as concentrated as possible, we can finish up this recognition question. I thought when I opened it we'd do it in half an hour—we have already spent little over an hour on it—but I don't want to cut off the others who have indicated they want to speak. I would just ask their indulgence in winding it up quickly.

Senator FERGUSON. Up to that point, Governor, was the majority discussion for recognition, or against recognition?

Mr. STASSEN. Overwhelmingly for recognition and I myself and most of those who opposed it had not yet been recognized to speak and that was when the 5-minute rule was put into effect.

Senator SMITH. Just preceding the part that you quoted, Governor, Mr. Rosinger is shown, as I understand his testimony:

Therefore, I'd like to suggest—that is at the bottom of page 61—

as a generalization, that the process of disentanglement be carried forward as rapidly as we can carry it forward, as a basis for preparing public opinion as a basis for early recognition.

Mr. STASSEN. That is right. That is Mr. Rosinger, who I said was one of the leaders of the Communists.

Senator SMITH. Right after that Mr. Jessup spoke. That is what you quoted.

Mr. STASSEN. That is right.

Then on page 65 Mr. Reischauer speaks, at the bottom of the page. He begins there, and the significant sentence—it is all in line with this—but on the bottom of the page, that is, page 66, the sixth line up, he says this:

We seem to be in very general agreement about the desirability of recognizing the Communist government in China and recognizing it fairly soon.

I trust you will recall that it was denied when I said that there was a prevailing opinion in this direction in this conference.

Senator FERGUSON. On page 65 at the bottom it says that the Communist government is a de facto government and be prepared to recognize it whether we like it or not.



Mr. STASSEN. Yes. I might say further that there was no question involved here of de facto or de jure recognition. I, of course, have noticed that some of the press have endeavored to interpret some of these comments that it might have been de facto. Dr. Jessup himself clearly indicated at the opening of this discussion that it had to be de jure, that you could not consider de facto of a Communist regime because they would not accept a de facto recognition.

Senator FERGUSON. This was only speaking, though, about a de facto government?

Mr. STASSEN. That is right, but it was speaking of a de jure recognition of a de facto government.

On page 33, to go back just on this point since you raise it, on the bottom of the page Dr. Jessup is speaking. Mr. Staley has raised the question. He said just ahead of that:

I think some of us assumed there might be some difference as alternatives between de facto and de jure recognition, but from what he said—

that is, referring back to Butterworth—

I gather it comes down to whether we go whole hog or not—

this is before all this discussion takes place—

that is, he indicated that the Chinese Communists would not play ball on any other basis but the full de jure recognition, so that was really the only alternative open to us.

Now, this is before all this discussion, so it is clear from this whole transcript that all this discussion of recognition is on the basis of a de jure recognition of the Chinese Communists, and the chairman himself says at that point, Dr. Jessup:

I think in terms of what we know about the Communist position it is true what we have had frequently in the past is a situation in which by admitting certain authorities are de facto authorities in the area you can do business with them and we have operated through consular officers and so de facto basis with us involves a question of de jure recognition.

Now, there seems to be some words skipped there; and then he says this:

It is indicated by the current Chinese Communist position that they are not ready to shift their attitude. They refuse to acknowledge representatives or foreign consular authorities on any basis on de facto basis in Shanghai—in that or any other place—and until the de jure recognition is extended they will continue their policy of discrimination.

There is further discussion of that, but I think anyone can read through a number of pages, and it is very clear that this whole discussion as indicated by Dr. Jessup himself was of de jure recognition.

Mr. SOURWINE. Governor, you read a moment ago a statement by Mr. Reischauer. Who was Mr. Reischauer?

Mr. STASSEN. He is a professor, the department of far eastern languages, at Harvard; on the faculty there.

Going over to page 66, I read to you that "We seem to be in very general agreement \* \* \*" and so on.

Mr. MORRIS. And that was from the testimony of Mr.—

Mr. STASSEN. Reischauer.

Then comes a significant section from him on page 67, the second paragraph:

I'd like to offer one practical suggestion, would it be possible to act in conjunction with a country like India? I think that would make it more palatable to our own people and more palatable in Asia, \* \* \*

The next thing of significance is on page 70 by Mr. Benjamin Kizer. Mr. Kizer says in the middle of the page:

I should like to follow Mr. Lattimore with the suggestion to go on trading before recognition.

This was a matter of continuing the American trade of goods to Communist China in the period of the weeks before you recognized.

Mr. MORRIS. Are you now going into a second point?

Mr. STASSEN. They are so interlocked; I will come back and tie them together.

Then he said—here is another part you will find in here. Dr. Holcombe of Harvard, had suggested that before we go on and recognize this government we ought to insist on some reform, some assurance that the minority parties in China will have a chance, that they will not all be liquidated—and Mr. Kizer says:

I couldn't go as far as Dr. Holcombe's suggestion that they reform their government by recognizing various parties.

He said:

That is a matter of scuttling recognition and introducing conflict where we should introduce agreement.

In other words, he does not want to introduce a conflict with Chinese Communists by insisting that they have to have some minority party representation. He wants to have agreement with the Chinese Communists.

Senator FERGUSON. They seem to, down at the bottom, also say that you recognize a country and you lift the iron curtain as far as that country is concerned.

Mr. STASSEN. He made an argument of that.

Senator FERGUSON (reading):

If we long withhold recognition, we shall be contributing to an iron curtain between ourselves and China; therefore, I would like to see that recognition come just as quickly as the facts of life reached by Congress and the American people permit it.

The American people will rather quickly adapt themselves to it.

As a matter of fact, that has not happened in the country?

Mr. STASSEN. It was pointed out by others in the conference that recognition did not open up iron curtains, that many countries recognized that where the curtain had been at that time it continued to cut us off from them.

Then on page 71, the second paragraph, still Mr. Kizer speaking, he says:

One thing further, and here I follow Mr. Robertson.

You remember the letter I read you on that matter of trade—

I think we should make a public disavowal of the blockade Chiang Kai-shek is conducting with respect to China, and I would like to see that followed up at an early date with the withdrawal of recognition.



That means withdrawal of recognition from Chiang Kai-shek and the China Nationalists. It was after all of this that I then spoke on the top of page 73. I refer to it now simply to confirm that I had directly raised these issues and spoken at that time.

In the third paragraph down of my first direct comment on it, I said:

On some of the related discussion this morning that has been advanced along with recognition or steps we ought to take, which I say frankly to me could be best characterized as steps that would hasten the victory of the Communists in China and hasten the complete liquidation of the Nationalist Government.

There confirmed in the official State Department transcript now released to the committee are those words of mine spoken across the table following all the things we have covered in this transcript this morning, and you can search this transcript and you will find no one deny at that time or counter my characterization at that time of the steps that were taken being advocated.

Then I say:

To me that would be a very sad mistake in our world policy.

This goes to the point that Senator Ferguson made a moment ago. It is on the top of page 74.

If we recognize the Communist government of China, now clearly that does mean we must at the same time not only withdraw recognition of the other government, the Nationalist Government, but we must then join in an affirmative action to throw the Nationalist Government out of the United Nations. There are no half-way measures on this. You cannot be recognizing a government in one way and then in the United Nations tribunal, in which we are a great and leading Nation, take a different position to that; nor should we possibly abstain. That would be a cowardly and weak position to take. So we would then be in the position of going into the United Nations with our great prestige and throw out from that United Nations the representatives or whatever you may wish to call them, the remnants of a former government that still has now, and I think for some foreseeable time, the effective jurisdiction over one-third of the area of China, one-third of its people, and that is continuing to put up some form of resistance of the Communist areas.

Then I continue to put ourselves in that position, which in my mind cannot be countenanced.

Gentlemen, from an extensive, even though rapid, analysis of this transcript since it was released I make these comments which I believe are carefully objective and factual. It will be found throughout the transcript that a group of men stayed very close together and that Mr. Lattimore and Mr. Rosinger led their discussion with the numbers of times spoken, as I indicated, and that these men frequently supported each other directly with comments. They never differed with one another in the 3 days on any important point.

These men were about 12 in number. In the most active part of them, those that made the sharpest statements and spoke the most repeatedly, are Mr. Lattimore, Mr. Lawrence Rosinger, Mr. Nathaniel Peffer, Mr. William S. Robertson, Mr. Edmund Reischauer, and Mr. Benjamin Kizer.

On presenting these facts to you I say again that I do not attempt to assess motives. I specifically decline to do so. I am bringing these facts out because not only that they have been challenged in these deceptive releases by the State Department, but because these same men in part are now active in writing about India and have been playing a part in Indian affairs.

Senator SMITH. Governor, you said about a dozen of those men who participated in that conference did not vary in their feeling?

Mr. STASSEN. That is correct.

Senator SMITH. Do you interpret that as meaning that they had, prior to this conference, discussed these matters and reached a common conclusion for a course they should pursue in discussion?

Mr. STASSEN. I do not draw any conclusion. I do not feel it is my place as a witness to draw conclusions. I am testifying simply as to fact and endeavoring to do it as objectively as I can in view of my great feeling in this issue affecting our country.

I might say here again what I said to the Sparkman committee the other day as to these participants in the pattern of action that has led to this disaster for our country and for China. I said then there can be no question but that many of the participants had the best of intentions and good motives. There can be no question that many of the participants—this was not the total pattern of action I am talking about—but there can be no question that many of the participants were such, due to ignorance or misunderstanding of the vital facts, and there can be no question that many of the participants were patriotic citizens of this country who made errors of judgment.

There can be no question but that many of the participants were knowing associates of the Communist design in connection with the pattern.

Those are the four classifications which I believe are comprehensive as to the way in which men could play a part in a pattern of action which has led to a major disaster for our country.

Senator FERGUSON. Governor, I noticed in your remarks now you have indicated that you did not want to draw any inference on the relation to these men who were before the conference. But when you came to the question of what the State Department has done recently do you feel the same way about their conduct in the releases they have made on your testimony?

Mr. STASSEN. I feel as a witness that I am not to draw conclusions; that I can state the simple fact that during the last 10 days it has now been proved and admitted that a whole series of statements in State Department releases were false and deceptive when they were made.

Senator, we have now sort of brought into focus this crucial point of recognition and one of the central points in my testimony, and I had some of the leading development in the prevailing group in my testimony.

With your permission I would like to go through and tie together the other points of the 10 which I said came up to the surface during this discussion. From a standpoint of this analysis, as you are aware, I took up the matter of recognition first because it seemed to fit the best in the analysis of the transcript.

My first presentation of the 10 points I gave is as to the fourth point. Then as the fifth point I said at that time that the United States, this group had urged, should encourage the recognition of the Communist People's Republic government by Britain and India and follow with its own recognition soon thereafter.



The CHAIRMAN. Governor, before you go into that, I would like to ask a question following your last statement.

During the course of your statements you have stated that at one time at a recess you said to the chairman, Dr. Jessup, and I am expressing it liberally and not quoting, that you hoped that this movement of recognition would not prevail.

And he said to you in return that the greater logic was in favor of those who favored recognition. That is the substance of what you said. Did you at any time during the course of that hearing hear Dr. Jessup make any further statement along that same line?

MR. STASSEN. No, Senator. That discussion took place following this comment that we have gone into here this morning. In other words, everything that I have thus far given you and more came into this morning's session—I can give you the point of the break for luncheon. This was the third day.

You recall on page 61 Dr. Jessup said, after there had been much of this prorecognition talk—

I hate to suggest any limitation on your discussion because it is extremely valuable, and I think this morning has been very much to the point and extremely useful, but we do want to cover a number of other subjects before we break up.

Then that was approaching noon. I am looking for the point in the record. I do not see it immediately.

But after that presentation we have been covering, as I testified on October 1, and my feeling is reflected in what I had said, and my feeling is my alarm was raised by this statement we just read that Dr. Jessup had made at the conference. I stepped up and said I hoped they would not follow the line developed by the Lattimore group.

That is when he said to me he felt the greater logic was in that group. Then I pleaded with him not to proceed with that without first going out to see General MacArthur. That was when I made that plea then, at noon hour on this day of October 8.

Senator FERGUSON. Did you ever contend that was on the record?

MR. STASSEN. No. I made it clear here it was in recess when I stepped up to him.

Senator FERGUSON. I find a headline in the newspaper—I don't find the part of the text of the article—but it is in the fourth headline: "Round-table transcript fails to support Stassen's charge of softness by Jessup."

Had you ever contended outside of the statement here in regard to your discussion with Jessup that more logic was with the opposing force?

MR. STASSEN. No. I developed these facts in the first hearing; that that conversation took place at recess and that the supplementary implementation of what was recommended by the opposing group was a further fact indicating they did move to implement the opposing group.

Senator FERGUSON. Have you ever contended that the transcript did show the Jessup was soft?

MR. STASSEN. Quite the contrary; I made it clear this was a recess discussion.

Senator FERGUSON. That it never was on the transcript?

MR. STASSEN. That is right.

Senator SMITH. Had you better not point that out?

The CHAIRMAN. That is the page of his own testimony.

Senator SMITH. That would indicate he was talking at a recess, not on the record.

Senator FERGUSON. I assume this headline was not written by the man who wrote the article because it is not in the article.

Mr. STASSEN. That is a continuing problem with reporters and the press and everybody else.

Mr. SOURWINE. This whole document is the morning session on Saturday, the 8th, is it not?

Mr. STASSEN. That is right.

Mr. SOURWINE. The adjournment was at the end of this particular document?

Mr. STASSEN. Yes; I see that now.

The CHAIRMAN. I had one other question I wanted to ask the Governor following the former question.

Did you ever hear Dr. Jessup during the course of those hearings, or during the course of those meetings, recede from the position that he had evinced to you when he said that the greater logic was in favor of the other side?

Mr. STASSEN. No. In fact, he never expressed any opinion different than that he said that the greater logic was on that side. As I say, I followed closely in the succeeding months what was happening and concluded then that they were moving to implement that other group policy that has been advanced.

I think we can demonstrate that more this morning. This finally led me by April of the next year to ask Senator Connally whether I could not come to the executive session of the Foreign Relations Committee on this matter. My feeling is they were moving to implement the opposing group, and it is not a feeling I now have alone. It is a feeling that I had as the events moved, and I demonstrated I had it by pleading with Senator Connally to hear me on it.

Mr. SOURWINE. Governor, if the statement Mr. Jessup made to you in response to your statement to him about who had the logic occurred at the end of the morning session on Saturday, the 8th, it then occurred after the conclusion of this entire conference?

The CHAIRMAN. No.

Mr. SOURWINE. Was not the morning session of Saturday the last session of the conference?

Mr. STASSEN. I believe it ran over a bit. I don't think we came back. I am not quite sure on that.

Mr. SOURWINE. The transcript shows the adjournment was at 12:55 and concludes by words from Dr. Jessup which appear to be a sort of a bon voyage to the conferees.

Mr. STASSEN. Yes; you are right, adjourned at 12:55. We ran over about an hour in order to conclude. That concluded it at 12:55.

Mr. SOURWINE. So what he said was at the conclusion of the entire conference?

Mr. STASSEN. That is right.

Senator FERGUSON. Did you cite your previous testimony showing that you did not contend that the conversation with Jessup about the logic of the argument was on the record, but you specifically stated it was off the record?

The CHAIRMAN. No; he did not. He was looking for the place.

Mr. MORRIS. It is on page 17.



Mr. STASSEN. Of your mimeographed copy.

Mr. MORRIS. That is right.

Mr. STASSEN. I know it was touched on a number of times. On page 17 of the mimeographed transcript Mr. Morris says:

It was subsequent to all of this that you say that Ambassador Jessup said he thought greater logic was on the side of Lattimore and Rosinger?

Mr. STASSEN. I think you have sensed some of my feelings.

I stepped up to Dr. Jessup and the conversation I earlier described took place.

The CHAIRMAN. That was on your first day here before this committee?

Mr. STASSEN. Yes, on Monday, October 1.

Senator FERGUSON. So you never did contend it took place on the record?

Mr. STASSEN. I always made it clear it was a recess discussion.

Senator SMITH. Did Dr. Jessup ever deny such a conversation took place?

Mr. STASSEN. He testified to the Sparkman committee—you had better get that exact testimony. I believe he said he had no recollection of such a conversation. I believe he also said that it could not have taken place because he was always against recognition of Communist China.

Mr. SOURWINE. You were not present at the Sparkman committee hearings?

Mr. STASSEN. Not when he was there. I was there later. I emphasize: You ought to get the exact testimony.

The second point that I would like to take up is what I call point No. 5 because it ties in logically that this group developed that the United States should encourage the recognition of the Communist People's Republic Government by Britain and Indian and follow with its own recognition soon thereafter.

On October 6, 1949, the a. m. transcript on page 29, the second page numbered 29, the third paragraph, you have Mr. Kizer, whom you will recall is one of those I have stated was one of this leading prevailing group. As I say, this is October 6. It is the opening transcript. Mr. Kizer speaks, in the third paragraph:

Mr. Chairman, I'd like to ask Mr. Butterworth a question. I'm wondering if there would not be an advantage to the United States and to relationships if we were to say to the British at the appropriate moment we are not ready to recognize the Communist Government, but since your interests are larger than ours, there may be some advantage in your recognizing it because of your interests there. Then we will take out time with it ourselves.

Then on the discussion we had just been in you will recall the moving with India by Dr. Reischauer on page 65 of the other transcript, that is, the transcript of October 8, a. m. session.

Mr. MORRIS. Are you going to come back to the blockade part of it later?

Mr. STASSEN. Yes.

Reischauer starts on the bottom of the page, and you go over to page 67.

Senator SMITH. That is October 6?

Mr. STASSEN. That is October 8, 1949. At the end of Reischauer's testimony, page 67 :

I'd like to offer one practical suggestion. Would it be possible to act in conjunction with a country like India? I think that would make it more palatable to our own people and more palatable in Asia.

You will find a couple of other minor references to moving with Britain and India. Those are the most direct. You will find that Mr. Decker, who was there through the 3 days, commented, page G-3, 124, in other words, near the end of the transcript of October 8. He refers back to Dr. Reischauer's recommendation that in the recognition of the Chinese Government very great care should be taken to at least consult with India beforehand.

Then he said :

I am very certain—  
on the bottom of that page—

that is in the minds of the officers of the State Department, that every effort will be made to keep the great English-speaking peoples in step, which is, I think, a very important objective to be sought.

Senator FERGUSON. Have you ever seen a news item in relation to Italy's recognition that it was claimed that we had no objection to Italy recognizing Communist China?

Mr. STASSEN. I have not seen that, but we have found out interesting evidence. In the discussions of the House of Commons on April 6, 1950, page 1385 of the British reports of the discussions, and remember, that it was January 5, 1950, the British had recognized Red China and Parliament was not in session. It came in session some time not long before April 5, 1950. I think it was in March.

At that time Mr. Thomas Reid, who is a member of the Labor Party and somewhat of a specialist on far-eastern affairs—he had long service in the Indian and eastern civil service, and he said, on page 1385 :

As I understand it, the American Government was consulted from start to finish, and I think I am right in saying that the American Government raised no opposition at all to the recognition of the Communist Government by Britain.

We have followed through those debates on that day, and we find no dissent from any of the Ministers or anybody to that comment on the floor of the House of Commons by one of the well-informed Labor M. P.'s in the Far Eastern Section.

Senator FERGUSON. I would like to put in the record at this place the New York Times article of Saturday, November 11, 1950. I do not necessarily want to put the headlines in, but I would like to put the article in. It is from Rome. However, I will read the headlines, "Sforza Hints Soviet Offered Italy-China U. N. Entry Deal."

I ask that the entire article be made part of the record.

The CHAIRMAN. Do you want the whole article?

Senator FERGUSON. Yes, and take the headlines, too. I said not necessarily, but take them.

The CHAIRMAN. It will go in.



(The article referred to is as follows:)

**SFORZA HINTS SOVIET OFFERED ITALY-CHINA U. N. ENTRY DEAL**

ROME, November 10.—Foreign Minister Count Carlo Sforza told the Chamber of Deputies today that the Italian Government had been considering recognition of Mao Tse-tung's regime, but that after the intervention of Communist Chinese troops in Korea it had postponed a final decision.

The Italian attitude on that question, Count Sforza indicated, also had been influenced strongly by some alluring suggestions he said had been made to him by "very responsible quarters" during his trip to the United States last September. These suggestions, he continued, were that the Soviet Union would not veto Italy's admission to the United Nations if the United States and other member States would not veto the admission of Communist China.

Count Sforza abstained from saying who was the author of the suggestion, but he made it clear that the Italian Government had not yet abandoned the hope of overcoming the Soviet opposition. Italy, he said, felt that the Peiping regime was "undoubtedly the government representing the overwhelming majority of the Chinese people." There were two other reasons, he continued, that had determined the Italian attitude: commercial interests and plight of Roman Catholic missions in China.

Commercially, Italy had an appreciable volume of trade with China that she would like to reestablish, Count Sforza said. He did not explain why diplomatic relations with Communist China would affect the religious missions, but it was assumed that he was concerned with the fate of many Italian-born members of the Catholic clergy who are now without protection of any kind because of the lack of Italian representation in China.

A motion by the extreme left wing designed to reopen the whole question of Italy's participation in the North Atlantic Treaty caused today's foreign policy debate. The motion was defeated, 268 to 132.

The Foreign Minister denied Communist contentions that the Italian Government has assumed new political and military commitments during Atlantic Pact meetings held recently in Washington. Both he and Randolfo Pacciardi, Minister of Defense, merely acted in accordance with the spirit and letter of the Atlantic Treaty, he said.

Italy, he continued, was one of the countries most exposed in case of aggression and she therefore was deeply interested in promoting European defense.

Count Sforza asserted the Communist idea was that in case Italy or any other Atlantic nation were attacked the Italian Parliament should decide whether aggression really existed. This would enable the Communist parliamentary minority to use obstructionist tactics and permit the aggressor to take advantage of Italian military inactivity, he added.

"If there is aggression, it is clear that the first task and the supreme duty of the Government is that of defense, both individual and collective, in accordance with the treaty," he said. "Parliament, of course, will discuss the situation and the political decisions that must be made, as envisaged by the Italian Constitution, which gives it that supreme right. But this cannot retard—as the Communists desire—the deployment of military forces, which alone would enable us not to be defeated immediately at the opening of hostilities."

**Mr. MORRIS.** The point here is this paragraph which reads:

The Italian attitude on that question, Count Sforza indicated, also had been influenced strongly by some alluring suggestions he said had been made to him by "very responsible quarters" during his trip to the United States last September. These suggestions, he continued, were that the Soviet Union would not veto Italy's admission to the United Nations if the United States and other member states would not veto the admission of Communist China.

That is the pertinent paragraph.

The **CHAIRMAN.** Very well.

**Mr. STASSEN.** I further stated as one of the 10 points, in fact No. 10 of the points, that no aid should be sent to the non-Communist Chinese guerrillas as were in the south of China, nor to the Chiang Kai-shek forces and the military supplies en route to them should be cut off. That was another one of those 10 points urged by this prevailing group.



Mr. Chairman, you have already picked up this comment of Mr. Rosinger on page 60 of the October 8 transcript. At the bottom of page 59:

I think, though, that in terms of preparing American public opinion for recognition there is a process of disentanglement from the Chinese Nationalists which can be carried out in the weeks ahead, and I think to the extent we disentangle ourselves from the Chinese Nationalists we lay the basis for recognition.

As a matter of fact, if we were to recognize today, assuming that were possible, we would be in a highly contradictory situation of recognizing at the time that we were delivering through ECA supplies to Formosa—

and so on.

We have not yet cleared ourselves from the entanglement, from the Nationalists. I'd like to suggest, although I am not informed on the technical questions and the problems of carrying out some of these actions, that we end our ECA assistance as soon as possible to the remnants of the Chinese Nationalists.

That is Lawrence Rosinger on the top of page 60 of this transcript. I say here again: You can search this prevailing group through this conference, and you will find no dissent from this that is advanced by Mr. Rosinger.

Mr. MORRIS. Governor, do you recall that Paul Hoffman, who was the head of ECA, had made a similar recommendation publicly?

Mr. STASSEN. No.

Senator FERGUSON. Did you know he made a speech in which he advocated the furnishing of aid to Communist China? I would like to get the date and put it in the record.

Mr. STASSEN. I do not know of that. I do not know that I want to associate myself with that comment because I don't recall it. I think there was a conference.

Senator FERGUSON. I will put the date in later, Mr. Chairman.

(The information referred to is as follows:)

December 13, 1948.

Mr. STASSEN. Are you sure that was not part of the earlier situation?

Senator FERGUSON. In 1948.

Mr. STASSEN. There were some major conferences at different times about aid to China. I don't recall it in this period. I was watching things very closely in this period.

Senator FERGUSON. I think it was December 1948.

Mr. STASSEN. I want to be sure not to associate myself with that characterization.

Senator FERGUSON. I just take it as part of the policy that was being advocated.

Mr. STASSEN. I am not sure it was in the period subsequent to October 1949's conference.

Senator FERGUSON. I would like to get that information and put it in, as I said before.

The CHAIRMAN. Very well.

Governor Stassen, do you know of your own knowledge or from any information given to you that is authentic as to how Dr. Jessup came to be chairman of this meeting that took place?

Mr. STASSEN. It was publicly announced that on July 27, 1949, Dr. Jessup would be in charge of a review of our policy in China and the Far East, and the announcement was by Dean Acheson. Then a few days later it was announced that Dr. Fosdick and Dr. Case would assist him as a committee of three in the review.



The CHAIRMAN. But as to his presiding over the meeting, did you know anything further as to how it was brought about? In other words, was there any action?

Mr. STASSEN. There was testimony from Jessup in the Sparkman hearings on it. I would prefer you get that testimony of his as to how the conference was developed and how he chairmanned it.

Senator FERGUSON. Were you familiar with the fact there had been another conference on this question where members of labor were called in and consulted?

Mr. STASSEN. I had no information on that until I was informed here at the committee hearing the other day there had been another conference with labor. I had never heard of it.

Senator FERGUSON. I would like to ask counsel if we have received the statements taken at that conference?

Mr. MORRIS. We have asked the State Department to make that transcript available, but as yet we have not had a reply. That letter, I believe, went out someday last week.

The CHAIRMAN. Senator Smith, the chairman must go on the floor. Would you kindly take the Chair?

Mr. STASSEN. You will recall as the first two points that I said that the prevailing group had developed in the recommendations was that Asia should be approached as a long-term problem to be studied and deferred; that the Russian Communist attention was concentrated first on Western Europe with its industrial strength; that the United States should likewise give priority to Europe and, second, that an aid to Asia program should not be started by the United States until after long and careful study because of the complexity of Asia and the dangers of a Communist charge of United States imperialism.

Then further, to evaluate that part of the transcript, the transcript does show, as I stated, that I had urged a prompt aid to Asia program with the headquarters in Bangkok and a parallel to the Marshall plan to fill the vacuum that existed in south Asia and had expressed the view that the Communists would be pushing in if any such vacuum were left.

Mr. Nathaniel Pepper on October 7, 1949, in the a. m. session directly begins to counter my proposal. Mr. Lattimore had also begun to counter it the day before. Mr. Pepper steps in on October 7, 1949, in the a. m. session, page E-9, the third paragraph. I might say the discussion sort of varied between the matter of an association together and an economic group like the Marshall plan, the forming of some kind of an alliance, but there was considerable discussion of some positive action linking together in some way the non-Communist nations of south Asia and strengthening them against the Communist threat.

Here is what Mr. Pepper said:

Would there be any chance of such an alliance?

He goes on to discuss it. He says, at the bottom of the page:

You ask yourself: "Would there be any such a pact without our encouragement and support?"

He means American encouragement and support.

If there would not be, I should say that would fairly well define it as unnatural and not very likely to survive, in which case we are associated with something that is going down. I think we ought to give up. If it goes on its

own momentum, if it grows out of its Asian Congress, well and good; but otherwise, no. We ought to keep out until it is started under its own genius and power.

I recall the whole beginning of the Marshall plan because of Secretary Marshall's address at Harvard that gave the impetus and the push to that development there. Here is the opposing statement that we should stay out unless it develops, et cetera.

Following that through on page E-11 immediately after that Dr. Coons says this:

May I conclude that this discussion with reference to regional association is almost entirely at the political level and that we really haven't discussed the question of the economic side that there is conceivably much to be said on the aspect of a regional economic approach, somewhat after the manner of what we were talking yesterday in reply to Mr. Stassen's discussion.

Chairman Jessup said:

We might come back to that after lunch.

Then after lunch Mr. S. C. Brown is brought in as an official of the State Department to brief the conference on this matter of the regional-economic-aid approach. You will find that on the p. m. session of October 7, page A-3. Here, of course, I am very greatly concerned because here we are moving right over into the Indian situation, which is the matter that gives me the greater concern at this time.

Mr. MORRIS. Excuse me, Governor. You did not testify concerning this particular phase.

Mr. STASSEN. Yes, I did. I said that the prevailing group recommended 10 points.

Mr. MORRIS. But this afternoon session of the 7th, were you present at that time?

Mr. STASSEN. No; but in the subsequent discussions, and of course in the briefing that I received as I would come back from being out of the room, there were men, Dr. Talbot particularly, so then I kept a sequence of the development of the whole discussion, even though I had to move out and in a bit.

On page A-3 as Mr. Brown begins his briefing, down at the bottom he says:

Now, the other thing which has appeared to us in our consideration of the matter is this—

this is now talking about south Asia regional economic action—

That, as Mr. DuBois said this morning, the economies of those areas are not interdependent in the same way that economies of Europe are, for instance, and you would not in all probability get in those areas through the expenditure of aid funds on a large scale the accumulative and multiplying effect that you get by expenditure of similar funds in Europe?

Then I continue on page A-5. He gives a considerable discussion of reasons and down on line 9 he says:

Now for these reasons, among others, we have been inclined, I think, to go slow in that concept of an over-all program of the Marshall type in that part of the world. The reasons may not be conclusive. I don't know. But I just wanted to indicate that we have given that type of thing some consideration.

There was the "go slow," and you will find it in the expressions of "It is very complex, and it is very confused," that you must go slow, and the total transcript read will confirm that the prevailing opinion was to go slow on aid and the organization of a regional program in the south of Asia against communism.



Of course, as I countered that, I directly pointed out while we were going slow the Communists were going fast, and that was the thing that bothered me so much at that time.

My recollection of the point that the Russian Communists were not as aggressive as Hitler and would not be apt to take direct military action to expand their empire had its origin in Mr. Kennan's briefing on the first morning, page 19. He says:

I think there is a distinction between these Russian leaders and people like Hitler and the Japanese leaders of the twenties and thirties.

On page B-17 he said:

\* \* \* never in Russian history have the Russians ever, that I can remember, been enthused about any deliberate aggressive action of their own outside of Russia.

Then he discusses the different ideologies and the policies in relation thereto.

Then you will find in my response to Mr. Kennan at that time I said that I felt that they were just as aggressive as Hitler and would prove to be so.

On the Indian point, page 8, that Prime Minister Nehru had shown reactionary and arbitrary tendencies and should not be leaned on or assisted as a leader of non-Communist forces in Asia, we find in October 8, 1949, the a. m. session—I would first like to point out that Mr. Talbot, beginning on page 110 makes a brilliant presentation, I feel, of the India situation and of the policy we ought to have toward India; that his presentation goes on through a number of pages. Then as he concludes, Mr. Murphy, on page 122, says this:

As a minor note of warning with respect to Mr. Nehru's visit here next week I would like to say that, in my opinion, and it is an obvious remark, the Indian people are not strong and practical people in our definition as we define it here and that despite Mr. Talbot's glowing presentation of the opportunities and the resources and the potentialities in India, nevertheless \* \* \*.

And he goes into an international-bank question, and so on.

On page 123 he said, down at the bottom, that—

\* \* \* Yet with respect to the three problems that they now have at issue with Pakistan, of Kashmir, of the refugee properties and the water rights in west Punjab, in each of those three preponderantly it seems to me the Indians are acting in an arbitrary manner, reactionary and arbitrary manner.

Then I say I want to associate myself with Dr. Talbot, and so on. Then on the top of the page 122 you will find that after that discussion by Dr. Talbot of the importance of moving affirmatively on India and of developing a favorable Indian reaction, Mr. Lattimore says:

In Mongolian in the expression of gratitude a grateful man is practically indistinguishable from the expression "a pack animal loaded with a burden."

Mr. MORRIS. What is the point of that?

Mr. STASSEN. It is a very negative kind of comment regarding Dr. Talbot's very able presentation. That is the only response that came at that time to that plea for moving forward in India. Then Mr. Murphy follows up with this note of warning and this comment about reactionary and arbitrary.

On Formosa you will find Mr. Fairbank on October 6, 1949, in the p. m. session, page B-11, saying:

To hold Formosa would defeat our ends by a miscalculation of the response in China. \* \* \*

I wouldn't hold Formosa—

And so on. You will find none of this prevailing group at any time urging that we hold Formosa. The whole implication is to the contrary.

Then that it should be United States policy to permit the Chinese Communists to take Hong Kong if they insisted. You will find one of the questions put up to us specifically was: What should be the attitude of the United States toward the status of Hong Kong? You will find I made a strong plea that we must back up the British in their decision. It is in the October 6 transcript.

You will find Mr. Butterworth says that the British had not asked us to help them in Hong Kong. October 6, 1949, the a. m. session, page C-3:

The British "have not sought any particular assistance through us" for the defense of Hong Kong.

Mr. MORRIS. Was that in response to the point you made?

Mr. STASSEN. It was in response to the question raised in the advance questions that were put out and in response to the general discussion of how firm an attitude should the United States be taking in Asia at that time.

Mr. MORRIS. You had advocated a strong position?

Mr. STASSEN. That is right. My advocacy of a strong position came later.

Another reason I had advocated the strong position was the story 2 days before in the New York Times by Mr. James Reston, who, as I said the other day, I always found was a very accurate reporter in foreign policy. The story on that day said:

There is no reason to believe that the United States will participate in any show of force in the protection of Hong Kong, the British possession off the coast of China, but respect for the sovereignty of this base certainly will be regarded as one of the tests employed by the United States to determine whether the Chinese Communists are prepared to respect the undertakings of China under the Charter of the United Nations.

You will find in the general discussions in the committee the whole atmosphere of the United States not taking a firm stand against the Communist advance in China. Hong Kong was one of the specific points in regard to that.

I believe, Mr. Chairman, I have made reference to all of these 10 points. There are many corroborating references in here. I might, for example, point to the October 7 p. m. session, page D-19, the middle of the page, where Dr. Fairbank says:

For the record, also, the line of anticommunism in Asia is not a very good line. It is a subjective projection of our own view. The main question, it is much better to be anti-Russian and a few other things to be anti. That is just an example of what Mr. Taylor was talking about.



On page B-12 Mr. McNaughton says this:

We will never get this world going unless we start trade, and I would start trade with Communists in China until I found out they were impossible to do business with.

Mr. Murphy says:

I feel that if we don't trade with the Communists in China it is pretty obvious that since they have a very crying need for goods it simply amounts to forcing them to trade with Russia on Russia's terms.

I think, Senator, in my first necessarily concentrated work on this transcript that fairly completes my presentation this morning in response to your inquiry. I respectfully submit that as to all of these comments I have today testified to from the transcript of these other gentlemen, when I first appeared here I was testifying from a recollection of a conference 2 years old.

I believe that I have now demonstrated by recitation to the official transcript now at this late date released that every factor in my recollection can be substantiated from the direct references to recorded statements made at the time, even getting into such details as this matter of encouraging Britain and India to lead off and matters of stopping the supplies to the Chinese Nationalists in that remaining period, and factors of that kind.

As I say, I respectfully submit that if careful students of an impartial nature are set to work to read through this entire transcript that they will not find that this key group in the discussion ever differed with each other on any important point, and they will find that they, in various ways, gave support to one another, and that the total policy there recommended added up on each of the 10 points that I had originally presented from recollection that I now have confirmed by referring to the transcript.

Senator SMITH. In other words, Governor, your statement there means so far as you have been able to ascertain from examining the transcript in the short space of time you had there are no discrepancies in substance between what you testified to at your first appearance before this committee and what the transcript now bears out?

Mr. STASSEN. None whatsoever, not only no discrepancies but a great amount of corroboration.

Senator SMITH. May I ask one question which may or not be connected with this conference?

Was it shortly thereafter someone in the State Department made a speech about the defense perimeter of America not including Formosa or certain portions of China, Hong Kong, and Korea?

Mr. STASSEN. That is right. Secretary Acheson made that speech.

Senator FERGUSON. It was January 20, was it not?

Mr. STASSEN. January 12, I believe, 1950, right after the British recognition. I went into that sequence of supplementary events considerably in my first testimony, but it does have a relevancy now that we have reestablished from the transcript what this conference's recommendations were.

For example, on the matter of the protests on the Isbrandtsen Line ships and not recognizing the Chinese Nationalists' blockade, you will find that Secretary Acheson did those very things in the following months. On November 16, 1949—in other words, 6 weeks after this conference Mr. Acheson protested the Nationalists' firing on the *Fly-*

*ing Cloud* running the blockade, which is directly what Mr. Kizer suggested during the conference.

Again on December 5, 1949, Mr. Acheson said that the United States did not recognize the legality of the Nationalist blockade and protested the shelling of the United States ship of the Isbrandtsen Line.

On December 23, 1949, that very controversial statement to the Voice of America and the information service about the anticipated fall of Formosa was given. On January 5, 1950, the President and Mr. Acheson announced:

The United States had no intention of providing military aid or advice to the Nationalists on Formosa or of using its Armed Forces to interfere there.

That was then characterized as the abandonment of Formosa, which was in line with what Dr. Fairbank and others said at this conference.

On January 12, I believe, a speech at the Press Club here in Washington was made that the line was drawn that left Formosa on the other side of the line.

Senator SMITH. Those five as I counted them—those five instances seemed to carry out the principles that had been discussed and agreed to by this group at this conference that you have been testifying about?

Mr. STASSEN. There were more. There was then the basic fact that the aid-to-Asia program did not move. That disturbed me more than anything in that period. There was nothing really forthcoming. Then Mr. Jessup made his trip leaving the west coast, I think, about December 21, 1949, getting into Tokyo about January 5, 1950, going on through Asia and around the world with a conference in Bangkok and getting back in March.

In the latter part of March 1950 they had the conference at the State Department of organization leaders, which I testified the other day I then went and attended in my relationship to the Council of Religious Education, because I was so concerned to know what was going to be the policy.

When that conference ended with no definitive recognition of really moving forward in an Asia program, that is when I wrote to Senator Connally and subsequently to Senator Vandenberg that I was so deeply concerned we were moving in the wrong direction in Asia, that there was a vacuum that the Communists would move in.

Senator SMITH. After this conference what if anything did Dr. Jessup say or do relating back to this conference if you recall?

Mr. STASSEN. Well, his report to the State Department conference in March of organized leaders, to the Senate Committee on Foreign Relations and then publicly was in substantial accord so far as the Asiatic situation was concerned with this conference on the economic subjects. That is, with this prevailing group in the conference.

As I recall, at that time Mr. Reston characterized that speech as being that very little could be done for India and Pakistan and that whole atmosphere came from Mr. Jessup's report when he returned. It was right in the subsequent period that the matters came up in the United Nations as to the resolutions of the Chinese Nationalists over this issue of recognition.



Dr. Jessup was on the floor of the United Nations speaking on those issues November 28, 1949. In other words, I do feel that it is a fact that up to the outbreak of the Korean war Dr. Jessup said or did nothing that was inconsistent with the 10 points made by the prevailing group that I know of publicly.

Of course, I mean studying the public reflections of this situation.

Mr. MORRIS. Governor, I don't know whether you read in the papers or not, but we have issued a subpoena for the Vandenberg diaries from January 1, 1947, to July 1950. We have not as yet issued a subpoena for the Forrestal diaries. We are deciding who the addresses in that case will be. I do want to let you know we have subpoenaed the Vandenberg diaries. You originally made the recommendation.

Mr. STASSEN. I made the recommendation that you ask for the day of February 5, 1949. If you would permit me to do so, I would not want to think you would want to call that entire diary out of the hands of Mr. Arthur Vandenberg, Jr., who is working over it for publication. I don't think it would be reasonable you should pull the whole diary out of his hands. I think it should be for specific days, February 5, 1949. Then when it was published in the Herald Tribune I suggest you send for a photostatic copy of that page. I would think that would be a better procedure.

Mr. MORRIS. The whole thing is within the scope of the committee, and any individual item can then be brought into the record. In this case if it is the one particular conference we can use that.

Senator SMITH. He was talking about the inconvenience to Mr. Vandenberg.

Mr. STASSEN. Yes; plus the matter of reasonableness of asking for the diary for a whole period. The same thing is true for the Forrestal diary. I think those dates around November 1948 and things like that we know from the published diary are significant, and it would be important to have someone look at the original Forrestal diary in this period.

I notice in Mr. Acheson's most recent press statement where he now admits the correctness of the question I posed to him on October 2 when their Department had first denied he knew anything about such a conference. In the most recent press release he says Mr. Forrestal, on February 2, 1949, had brought the matter to the National Security Council. Mr. Forrestal was notified that his resignation was going to be accepted. He got the notice on January 28 of 1949. So I would think that period and in view of all the other revelations of mistaken press releases from the State Department, Mr. Forrestal's diary ought to be collected very carefully.

Mr. MORRIS. If we have these legally within the jurisdiction of the committee, then we may take any one particular item we wish. That is why we have it over a long period.

Mr. STASSEN. The committee decisions are your decisions, but I want to make it clear my suggestion was that you ask for Senator Vandenberg's diary of February 5, 1949, which corroborates the essential basic policy facts of my original recollection of what Senator Vandenberg told me, but which did not indicate who was present.

Senator SMITH. Do you have any opinion as to whether or not the speech of Secretary Acheson of January 5, 1950, in which he outlined the defense perimeter, did not extend to Formosa and Korea, and

maybe he mentioned Hong Kong or some other island—do you think that had any effect on the Communists moving into Korea?

Mr. STASSEN. Senator, as a witness I would prefer not to endeavor to give conclusions but more to confine myself to facts. There are other occasions when I think I can properly draw inferences and discuss conclusions, but I don't think this is one of them.

Senator SMITH. Senator Ferguson.

Senator FERGUSON. I have no questions.

Mr. SOURWINE. No questions, Mr. Chairman.

Mr. STASSEN. I might say on the other question that arose out of your subpoena of me obliquely the matter of February 5, 1949, conferences, and then the entire question of Mr. Jessup, that we are pursuing our investigation of those points. The may lead to further testimony before the Sparkman committee next week.

Senator FERGUSON. May it be understood if the Governor finds in a resurvey of these documents, since he just had overnight to look into them, that he wants to put something else into the record that he may do so?

Mr. STASSEN. I would put it the other way. If you hear from any other witnesses that cause this committee to have any doubt of the accuracy and fairness of what I have testified to, then I would respond to your summons to return to you. These are very grave matters of policy. I opened them in the first instance on your subpoena because of my grave concern for our country's future. I will continue to function as close to that as I possibly can in the buffeting situation that naturally arises in the country at this period.

Mr. MORRIS. Mr. Chairman, Professor Colegrove did not receive a copy of the transcript until between 10 and 10:30 this morning. He is now here. When is it your wish to hear him?

Senator SMITH. We will recess until 2:30 and hear him then.

(Whereupon, at 12:30 p. m. Friday, October 12, 1951, the hearing was recessed until 2:30 p. m. of the same day.)

#### AFTERNOON SESSION

Senator SMITH (presiding). The hearing will come to order. Proceed, Mr. Morris.

Mr. MORRIS. I think we might have the witness sworn, although he had been sworn before.

Senator SMITH. You solemnly swear the testimony you are about to give in this hearing of the Judiciary Committee of the United States Senate will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COLEGROVE. I do.

#### TESTIMONY OF KENNETH C. COLEGROVE, NORTHWESTERN UNIVERSITY, EVANSTON, ILL.

Mr. MORRIS. I would like the record to show that Professor Colegrove was called last night and asked to come down here and testify in connection with the transcript released by the State Department yesterday.



Professor Colegrove traveled all night and did not see the transcript until 10 o'clock this morning.

I would like the record to show that at the outset.

Professor, did you testify before this committee on the 25th of September 1951?

Mr. COLEGROVE. Yes, Mr. Morris.

Mr. MORRIS. Did you testify on that occasion, Professor, that there was a group present at the 3-day round table conference at the State Department that was "sympathetic to Red China," that this group dominated the conference?

Mr. COLEGROVE. Yes, Mr. Morris. That is in the record. I so testified.

By using that term, I did not say any of these gentlemen were Communists. I said their advice was pro-Communist.

Mr. MORRIS. I used your words there, Professor Colegrove.

You said on page 1719:

I felt that the group that was sympathetic to Red China dominated the conference.

Mr. COLEGROVE. That is the fact.

Mr. MORRIS. Professor, have you had an opportunity to examine the transcript and are you in a position to state now whether or not the transcript does, in effect, show that was the case?

Mr. COLEGROVE. Mr. Chairman, I have examined the transcript as rapidly as I could since 10 o'clock this morning, at the same time listening to Governor Stassen as he testified. It appears to me that my testimony is consistent with the transcript.

I might also add that the brilliant testimony of Governor Stassen this morning was also consistent with the transcript.

Mr. MORRIS. Professor Colegrove, you testified that in that group that did dominate the conference, Prof. Owen Lattimore was the leader of that group?

Mr. COLEGROVE. Yes.

Mr. MORRIS. Have you checked on that fact?

Mr. COLEGROVE. Yes; I have checked on that fact, Mr. Counsel. My first impression is also my second impression: that Owen Lattimore was the leader of the group well admitted by Mr. Rosinger.

Mr. MORRIS. Is there anything you can point out to us at this time to support that testimony where Governor Stassen this morning noted that Lattimore had spoken 19 times at the conference? Have you made any such check?

Mr. COLEGROVE. Yes; I checked, too. I thought that Governor Stassen's checking was correct. I believe that Governor Stassen indicated that the group which gave pro-Communist advice includes Lattimore, Rosinger, Professor Pepper, William S. Robertson, Professor Reischauer, and Benjamin Kizer.

Mr. MORRIS. Professor, would it not be better if we took the group you mentioned in your testimony, and I will ask you questions and find out whether or not the testimony actually supports your testimony on that occasion. May I do it that way?

Mr. COLEGROVE. Yes.

Mr. MORRIS. The purpose is to determine—your testimony concides with the transcript. May I follow your open testimony?

Mr. COLEGROVE. Yes.

Mr. MORRIS. I have here page 1716 of your open testimony. Senator Eastland says:

Who was that group?

That is, the group sympathetic to Communist China.

Mr. COLEGROVE. I would say the leader of that group, if you considered he was a leader, was Professor Lattimore.

May we address ourselves to that? I will go into the other names as they come up.

Mr. COLEGROVE. I checked the transcript, and I would agree that the statements which Mr. Lattimore made in the conference indicate that his views were consistently pro-Communist, and this advice was given on a number of occasions.

Senator SMITH. When you refer to the transcript, you mean the State Department transcript?

Mr. COLEGROVE. Yes. Of the conference.

The statement by Mr. Lattimore in volume 3, page C-2, which reads:

On the other hand, too much delay might have a deteriorating effect on our prestige in Asia—

he is asking for early recognition.

Mr. MORRIS. Of Communist China?

Mr. COLEGROVE. Yes. I won't read the whole passage, but the record of the State Department conference indicates that Mr. Lattimore was in favor of very early recognition of Red China.

There are quite a number of references that could be made to Mr. Lattimore's testimony, but I think that is sufficient.

Mr. MORRIS. You also put in this group, Lawrence K. Rosinger?

Mr. COLEGROVE. Yes.

Mr. MORRIS. Have you had a chance to look at the transcript to determine whether or not Lawrence Rosinger did take the position you have testified in open session?

Mr. COLEGROVE. Yes, Mr. Counsel. Mr. Rosinger, in volume 3 [October 8, 1949], page C-10, used the following words:

I'd like to associate myself with the view frequently expressed around this table that we should extend recognition.

He means to Red China. [Continues reading:]

My own personal feeling is that the recognition should come as early as possible—

he then says.

Then, on page 59, he again repeats:

As I have suggested, the recognition should come at the earliest feasible moment.

On the same page, Mr. Rosinger proposes that we should end all ECA assistance to the Chinese Nationalists immediately. You recall from the testimony he, of course, made a strong plea for breaking the Nationalist blockade of Shanghai.

There are numerous other references; but, since Governor Stassen covered the same material, it would be repetitious to give the whole list.



Mr. MORRIS. You say the third person you put in that group with the qualification more or less was Prof. John K. Fairbank. You said he was more or less in that particular prevailing group?

Mr. COLEGROVE. Yes.

Mr. MORRIS. Could you dwell upon that?

Mr. COLEGROVE. I included John K. Fairbank in this list. I believe that Governor Stassen did not include him in his entire list. Let me call attention to Fairbank's proposal to abandon Formosa. That is made in volume 1, pages B-10 and B-11. Would you want me to read that?

Mr. MORRIS. If you will, please, Professor.

When Professor Colegrove testified in open session, he did not have the benefit of any notes or any transcript, Mr. Chairman.

Senator SMITH. You are trying to confirm what he said by the transcript from the State Department?

Mr. MORRIS. We are asking him if now that he sees the transcript does it bear out his recollection of the meeting as he testified in open session on September 25, 1951. He had testified previously in executive session.

Mr. COLEGROVE. I dislike to take the time of the committee in checking my notes here. I have had only 2 hours to go over this. I fear that I have made an error in my notations in regard to volume No. 1, pages B-10 and B-11.

Mr. MORRIS. Was there a reference to Formosa, Mr. Mandel?

Mr. COLEGROVE. If one of my students at the university made notes such as I have here, I would flunk him.

I guess this is volume 2.

Senator SMITH. I can testify for you. There is a little confusion the way these volumes are numbered. If you need any witness to help you out, let me know.

Mr. COLEGROVE. I must say the State Department has not helped us much in this pagination.

It was volume No. 2 [October 6, 1949, p. m. session] page B-10. Professor Fairbank says:

To try to hold Formosa with troops would give so much ideological ammunition to the Chinese Communists that it would unite China more readily against us. The more pressure we bring, the more we can expect hostility in return.

Then he goes on on the next page to say:

To hold Formosa would defeat our ends by a miscalculation of the response in China, just as our military support of Chiang Kai-shek defeated our ends because we couldn't foresee his inefficiency and that Chiang would have a lack of support.

I think that indicates clearly enough that Professor Fairbank was in favor of immediate abandonment of the Nationalist Government on Formosa.

Mr. MORRIS. Do you care to say anything more on that score, Professor Colegrove?

Mr. COLEGROVE. I don't think it is necessary to take the time of the committee. There are other citations that can be made, but that is characteristic.

Mr. MORRIS. Did you hear the testimony of Mr. Stassen this morning?

Mr. COLEGROVE. Yes. I listened to that testimony. I thought that was an excellent analysis.

Mr. MORRIS. Would that confirm the testimony that you gave in open session here?

Mr. COLEGROVE. Decidedly so. I thought everything that Governor Stassen testified to, this morning, completely corroborated my testimony when I first appeared before this committee.

Mr. MORRIS. In other words, you feel that your testimony and his originally was very much along the same lines?

Mr. COLEGROVE. Yes.

Mr. MORRIS. You heard him give instances from the transcript today in support of his testimony and you feel they also, ipso facto, would support yours?

Mr. COLEGROVE. Yes.

Mr. MORRIS. You say, on page 1716:

To some extent Professor Reischauer of Harvard and Professor Pepper of Columbia University expressed views that were favorable to the Chinese Communists.

Mr. COLEGROVE. As to the views of Professor Reischauer, I must say that I regretted to find that he and I differed so frequently. We are graduates from the same university. Professor Reischauer took the position on October 7, 1949, at the morning conference, on page C-15, where he uses these expressions:

I would certainly agree with Mr. Rosinger about the importance of deeds. He is referring here to the abandonment of the Nationalist Government on Formosa.

I think that was somewhat typical of all of the testimony of Professor Reischauer.

Mr. MORRIS. Did you hear Governor Stassen's testimony this morning about Professor Reischauer?

Mr. COLEGROVE. Yes; I did.

Mr. MORRIS. You mentioned that Benjamin Kizer of the west coast generally was in that group. Have you been able to find anything in the transcript that would support your testimony along those lines, Professor?

Mr. COLEGROVE. Yes, Mr. Counsel. Benjamin Kizer, on October 7, 1949 [a. m. session], on page B-23, used the following expression:

I tend to go along with what Mr. Pepper has well said, not that we should go whole hog in recognition—neither Mr. Pepper nor myself meant that—but when it becomes apparent, as I think it has become apparent in Indochina, that the days of France are numbered, and that the revolution is on its way toward control, we ought to be sensitive and not take sides in any such situation.

In other words, he is arguing for recognition of the revolutionary government as soon as possible.

Mr. MORRIS. Is there anything else you would like to have us take notice of on that score?

Mr. COLEGROVE. I thought that characteristic of Mr. Kizer's statement. I have not had opportunity to check every one of them. That is the only one I have been able in my limited time to select.

Mr. MORRIS. Mr. Chairman, we are confronted with the problem of what to do about this transcript. Should we put that all in our record, the entire transcript?

Senator SMITH. You mean the State Department transcript?

Mr. MORRIS. Yes.



Senator SMITH. It will be available to be included. Why do we not consider that the transcript is available for the record if and when it is decided it should be put in? We can treat it as we treated those other volumes. We will not actually copy it into the record.

Mr. MORRIS. In fairness to everybody, Mr. Chairman, the whole transcript of what everybody said should be in our records.

Senator SMITH. You mean the State Department transcript?

Mr. MORRIS. Yes. That does not mean that we have to print it here in the first instance.

Senator SMITH. All right.

(The material referred to appears in the appendix of this part.)

Mr. MORRIS. I think we should have everybody's remarks in the record.

Another point in your open testimony, Professor, you said that a briefing done by Cora Dubois was a briefing very sympathetic toward the Communists. Cora Dubois was the State Department officer who briefed the conferees.

Can you find anything there in the testimony to support that testimony, Professor Colegrove?

Mr. COLEGROVE. Mr. Morris, I was disappointed in the briefing by Dr. Dubois. Her briefing occurred at the opening of the second session.

It was a brilliant and scintillating analysis of the problem situation in southeast Asia, and it presented to the uninitiated every appearance of objectivity, but nevertheless it was a very decided slanted testimony.

Mr. MORRIS. Can you develop that for us?

Mr. COLEGROVE. Yes. The briefing played down Soviet Russia and the Chinese Communist influence in southeast Asia. It implied that the revolution in southeast Asia was a wholly native spontaneous revolution with no leadership from the Soviet Russian Government or Red China.

I will quote you from volume 3 [October 7, 1949, a. m. session], page A-3. Dr. Dubois says:

Despite the diversity which does occur "in Southeast Asia," a few generalizations, it seems to me, can be risked. The first and the broadest is one which was discussed at the very beginning of yesterday's meeting and agreed upon, namely, that there is a revolution in progress in southeast Asia, and that that revolution is not coevil with United States-U. S. S. R. tensions. It is a revolution certainly of 50 years' duration.

I will not go on any further.

We will have to say from the study of history that this revolution was also going on in China probably for a hundred years, the T'ai P'ing rebellion and the revolution under Sun Yat-sen.

But in China, everyone would agree the revolution was captured by the Chinese Communists. They took over the revolution, Mao Tze-tung and the Chinese Communists.

In this briefing that Dr. Dubois made, she says nothing about Ho Chi Minh, the Moscow-trained Chinese Communists who has taken over revolution in the Viet-Nam in Indochina. I was amazed at a briefing on southeast Asia that had no mention whatsoever of the Chinese Communist leaders whose personalities men respect as great as Mao Tze-tung and who directs the revolution in southeast Asia. He is a European, Moscow and French-trained Communist and directs that revolution.

Mr. MORRIS. What is the next sentence, there? It almost negates its existence, does it not?

Mr. COLEGROVE. You mean "it has affected more or less \* \* \*"?

Mr. MORRIS (reading):

For the United States to interpret the southeast Asian scene solely in terms of its own preoccupation with anticommunism is to run the risk of seriously misunderstanding the forces at work in southeast Asia and thereby of alienating the all-important leadership of the area.

Mr. COLEGROVE. It is simply amazing that statement should be made of what was supposedly the scholarly presentation of the situation.

Again, let me call attention to page A-19 where the briefing refers to the United States and Communist China. The briefing reads as follows:

The U. S. S. R. and Communist China are still only potential forces perhaps brighter for being less manifest—

which is an amazing statement. The French who have been fighting the Communists in Indochina, I think, will hardly believe an American scholar would make such a statement as that, because it is so completely in disagreement with the facts.

Let me go back to page A-12. On page A-12, Dr. Dubois says:

Communist propaganda from Peiping is ineffective.

Reports that we have from the press indicate the propaganda was effective from the very beginning, the beginning of the so-called people's government of China.

With reference to this briefing, Mr. Morris, I was regretful to see Dr. Dubois belittle Governor Stassen's proposal of a propaganda center in Bangkok. That was an important feature of the program which Governor Stassen laid before the conference. This proposal is ridiculed in this briefing.

I think I need not take more time in indicating the character of this briefing. It was a very clever statement but very definitely slanted.

Mr. MORRIS. Mr. Chairman, if the entire transcript is not going into the record, may the briefing go in the record?

That runs no more than—how many pages?

Mr. COLEGROVE. The conversation about it runs 26 pages.

Senator SMITH. You mean, to be copied in the record?

Mr. MORRIS. That would be printed in the record. It wouldn't be printed here. We will lay it in here, because when these hearings are being prepared, it will be printed.

Senator SMITH. All right.

(The material referred to follows:)

Miss DUBOIS. Unfortunately the discussion which you carried on yesterday seemed to me so lively and so excellent that it cut the ground out pretty completely from under this briefing paper which I had prepared. I shall go ahead with it, however, largely as a résumé and as a summary of most of the points that you raised yesterday and then we can go on from there.

The countries of Southeast Asia vary so greatly that it seems to me any estimate of that or any specific program of action in Southeast Asia which can be phrased, which is phrased for the region as a whole, will need reinterpretation when applied to a particular country. It seems to me that a simple program or estimate for Indonesia and Thailand would be as inappropriate as a single estimate or program for, let's say, Korea and Japan. The differences are of that magnitude.

Despite the diversity which does occur, a few generalizations, it seems to me, can be risked. The first and the broadest is one which was discussed at the



very beginning of yesterday's meeting, and agreed upon, namely, that there is a revolution in progress in Southeast Asia and that that revolution is not coeval with U. S.-U. S. S. R. tensions. It is a revolution certainly of 50 years duration. It has affected more or less acutely all functions of the cultural lives of these disparate peoples. Yet it is a revolution which has not always been disorderly and simultaneously, I think one should remember in dealing with Southeast Asia that not all disorders are necessarily revolutionary. For the United States to interpret the Southeast Asia scene solely in terms of its own preoccupations with anticommunism is to run the risk of seriously misunderstanding the forces at work in Southeast Asia and thereby of alienating the all-important leadership of the area.

Fortunately the U. S. S. R. seems to be making this very error in Southeast Asia. The reasons, we may assume, are the doctrinaire quality of its Southeast Asian advisers who impress one as being either fairly incompetent or too intimidating to render an honest judgment on the scene.

Now the revolution which is taking place in Southeast Asia can be subsumed under three major blanket terms: Nationalism in its political thinking, socialism in its economic aspirations, and humanitarianism in its social program. These, of course, are direct reflections of western democratic thought, although certainly their appearance in contemporary Southeast Asia lags behind their fullest manifestations in Europe. That these three major trends are western European in origin gives the United States a tremendous psychological advantage in dealing with Southeast Asian leaders. However, I think it would be a mistake to expect no mutations in these major trends in the course of being transplanted.

Thus, the nationalism which is at the moment the major preoccupation is still phrased to a large extent as antiimperialism. Furthermore, nationalist leaders have problems of unifying the nations that they aspire to create which are as great, certainly, as our forebears had in the eighteenth century. Sovereignty neither in its internal nor external aspects is yet a deeply experienced and internal force. I would expect, therefore, that their nationalism would be easily directed into international channels as soon as the threats of imperialism are removed and hypersensitivities on this score are respected. Once unity in these severely splintered countries—and I exclude the Philippines and Thailand—is established, international preoccupations will appear more consistently and frequently. However, until that time internal problems will seem more urgent than external ones in each of these countries. This complicates the situation. It means that the United States has to deal with five or six separate entities instead of one. It may retard cooperation between the countries of this area, and then, of course, there is the danger that splintered nations may more easily be exploited by those who enjoy fishing irresponsibly in troubled waters.

Socialism—to take the second main theme in Southeast Asia—is still more an aspiration than a fact. It is closely associated with the desire, however unrealistic, to industrialize and achieve some degree of autarchy. In part, these desires stem from the realization of how vulnerable the export economy developed by European nations have made these areas to fluctuations in the world market. I need scarcely say the depressions of the 1930's was a very bitter experience in this part of the world. Another contributing factor is the knowledge that they lack investment capital and they need such capital from European sources, but that in acquiring it they do not wish to exchange economic controls for the political freedom which they have just acquired. On the whole, therefore, the preference is for intergovernment loans and government-controlled enterprises.

The third main strain in the Southeast Asian revolution, the humanitarian one, is for the moment represented by a remarkable eagerness for education and for the development of literacy in the area. This, of course, was of value in the European nations where most of the southeastern leadership studied. It appears to them a *sine qua non* of intelligent and enlightened sovereignty. It is a force which, I believe, most nearly represents a mass movement in contemporary Southeast Asia today. That highly literate populations like those of Germany and Japan have been no insurance against political abuse seems to escape most people's attention.

Associated with this trend is, of course, the desire for a higher standard of living and great admiration for American technology. I feel that our propaganda does not need to stress our technical competence or our standard of living anywhere in the world. It has already been sold and resold. It is a revolutionary force, some writers claim, which makes communism a pale and reactionary phenomenon by comparison. Although we do not need to sell the superiority of our technology it may be wise of us in Southeast Asia not to rub in the dif-



ferences in standards of living, and above all not to appear niggardly in sharing our greatly admired know-how. It may be unwise to arouse envy and undesirable to trade on strength which, though greatly admired, is admired in Southeast Asia when well encased in velvet.

If the main elements then of the Southeast Asian revolution have been correctly appraised, the next question which arises is, "Where are the fulcrums for the effective exercise of influence by the United States?"

In terms of the class structure the major locus of power is the present leadership. It is predominantly western educated and western oriented in its thinking. The overt leaders who fell under the leadership of Moscow and remained there can be counted practically on the fingers of both hands. Furthermore, the peasant masses of Southeast Asia are still largely politically unawakened, although that situation is changing faster than we may like to realize in countries like Indochina and Indonesia, which have had to fight for their independence. In dealing with these leaders we shall have to appreciate that they, like all politicians, will be under local pressures from their own peoples, which we here in the United States only vaguely understand and probably frequently do not appreciate. We must realize, however, that the greatest danger to us in Southeast Asia is that the armed and aroused peasants may escape from under the control of leaders essentially friendly to the west and become the pawns of Communist agitators.

An early and equitable settlement of disorders in Southeast Asia and every effort to strengthen the present leadership in its unification of these countries appears to me to be an essential to United States interests. It is recognized that such leadership may not always be to our taste, however.

A second point d'appui open to the United States has already been suggested. It is the generous sharing of our technology. Here a generous technical assistance program was conceived. The realization by our economists that on its present scale it will not fundamentally alter even in a generation the Southeast Asian standard of living had led to the suggestion that private capital is needed but naturally it must be provided safeguards. Actually whether such safeguards will coax American capital into underdeveloped areas may be worth pondering. The Bell Act which has been a thorn in Philippine national pride has not deluged the Philippines with American enterprises. In any event, the United States with its evaluation of private enterprise runs squarely against the state socialism of Southeast Asian leadership. Already fears have been expressed in the region about our intentions on that score. Undoubtedly to secure our assistance the Southeast Asians will temporize with their aspirations, but the attendant frustrations and resentments should not be ignored, should be carefully weighed against the chances of success in getting American private capital into the area.

A third and closely related lever available to the United States in Southeast Asia is the previously mentioned desire for education. The Fulbright Act was probably one of the most constructive long-run measures for Southeast Asia enacted in postwar years. However, it is limited to only three countries in the region, it has been slow in getting under way, it has been loosely coordinated with other policies subsequently developed like the technical assistance program, and has been nibbled away by other interests, lack of suitable personnel, and the innumerable difficulties that always seem to beset the best of intentions. The Fulbright Act, however, is miniscule by comparison to the needs and aspirations of these areas. I feel that any guidance that this group could offer in refining and enlarging our United States informational and educational program and in enlisting our private educational groups in a multitude of both advanced and elementary programs, an education might be amply repaid in terms of long-run national interests.

Now these are some of the assets we possess in Southeast Asia. Where, then, are the weak points in our potentialities? Here I would like to consider two types of weaknesses, those which are inherent in Southeast Asia and those which are inherently our own.

It seems a justifiable assumption that the Chinese Communists will continue their push into the neighboring countries of Southeast Asia. What their reactions will be will depend upon the nature of the push. Let us suppose that it would be directly military and would be limited to the land approaches.

Mr. Furnivall, an outstanding British expert sympathetic to the present Burmese Government, is convinced nothing would heal the present schisms in Burma more effectively than an armed Chinese incursion along the northern Sino-Burmese border.

In Indochina the dislike of the Chinese is traditional. It has been reinforced by the postwar Chinese occupation of northern Indochina. Any Vietnamese Communist leadership in the Republic of Vietnam which would encourage or



condone Chinese military incursions would be widely discredited and might make more friends for Bao Dai than the French or the Emperor himself have yet been able to win.

Thailand's traditional nationalism and anti-Chinese position is presently more overt than ever under the authoritarian Premier Phibul. In fact, Phibul has recently stated that Thailand would welcome British and American troops on Thai soil in the event of a Communist invasion.

All of these factors are not unknown to the Chinese Communists and it seems improbably, therefore, that they would take the risks involved in direct military action even though they might be militarily successful. Also, it is still far from clear that the U. S. S. R. trusts the Chinese Communists sufficiently to use them as their "running dogs" in Southeast Asia.

Obviously, however, direct military incursion is not the only instrument at the disposal of the Chinese Communists. Chinese governments have traditionally taken a proprietary attitude toward their 6,000,000 overseas Chinese in Southeast Asia. Such attentions have never been welcomed by the government of any region. Among the people of the area, justly or unjustly, the Chinese have always been suspect. This position is intensified at present for the Chinese have held aloof from the nationalist struggle. The increased nationalist sensitivities in these countries since the war is likely to make Chinese Communists' appeals to their overseas dependents as obnoxious as those of Nationalist China. This, however, is certainly no adequate discouragement to the Chinese Communists.

If no direct military action is likely, what are the Chinese Communist potentials? Opening propaganda, which has already been launched from Peiping on Southeast Asia will undoubtedly be intensified, but in my estimation it is of dubious effectiveness. I suspect—and this is highly intuitive judgment—that shrill propaganda may be one of those self-defeating techniques whose effectiveness is already largely exhausted. However, it may be unwise to underestimate it too soon at least in these so-called marginal areas of the world, but our own information services, expanded, more astute—certainly more repetitive—would probably stalemate the line coming out of Moscow and Peiping.

Far more sinister, it seems to me, are the possibilities of clandestine infiltration and activities whose goal will be to intensify destructively every possible grievance, racial discrimination, minority frictions, pay differentials, poverty, police measures, national aspirations, and that whole host of evils which exist today in Southeast Asia.

These clandestine efforts will certainly be facilitated if the countries of Southeast Asia will recognize the Peoples Republic of China. Chinese Communists diplomats will afford the opportunity to shout at clandestine operators, to bribe and to terrorize the resident Chinese in Southeast Asia who have always been noted for their practicality in such matters rather than for the strength of their moral convictions. Furthermore, to the extent that the Peoples Republic of China gains a position on the international forum its strident echoes of the U. S. S. R. on the subject of Anglo-American imperialism will have the weight of an Asian voice which has been "successful" in its revolution. I think that we should not underestimate the fact that the Communist success in China is seen as a successful revolution in many parts of Asia. It seems to be that in a case of that sort on the international forum our best defense will be the kind of diplomatic astuteness which Mr. Henderson has had in India and above all our actual record about which it seems to me we insist on being far too modest.

In my opinion this question of the overseas Chinese and the opportunity they offer Communist China for clandestine and diplomatic infiltrations in Southeast Asia is one of the greatest hazards to United States interests in the area. Unfortunately, in terms of other considerations, recognition may have to be granted to the Peoples Republic and the attendant liabilities reckoned with.

In addition to the difficulties posed by the overseas Chinese and the recognition of Communist China which are immediate there are long-range difficulties. The population problem, particularly in relation to the food supply, is perhaps one of the major ones. The Far East as a whole occupies a unique position in world economies by being predominantly agricultural, and yet being on the whole a food-deficit area. Based with this gross problem the impulse is to encourage rice-producing areas like Thailand to produce as great as exportable surplus as possible. If the Office of Intelligence Research estimates are correct there is little likelihood that any foreseeable amount of encouragement to rice production will result in more rice than the Far East can sell at a good price until 1960. However, by 1970 it is estimated the population and food production may



once more be unbalanced as they are today. It is also estimated that the Chinese Communists will still be in control in China in 1970. It is here again that bold new plans seem as urgent to the United States interests as they are urgent to Asian leadership.

Here, perhaps, modest industrialization and economic diversification might concern us with equal seriousness and simultaneously with the food-population equation. Certainly in an area as large and diversified as Southeast Asia any simple unilateral approach would not be adequate.

Now it is not my function to dwell elaborately on the difficulties inherent in the Southeast Asian scene. It may be more appropriate now to pass on to inherently American difficulties when we operate in the region. The first two difficulties seem to me closely related—indifference and commitments elsewhere. At the beginning of World War II, China "specialists" were practically a dime a dozen compared to those on South Asia. Since the war Japan "specialists" seem to outnumber even those on China. Persons interested in the Far East are termed "specialists" while every fifth person in the United States has no hesitancy about speaking authoritatively on Europe. He may do it even in fluent French or German. It is not astonishing, therefore, that in both our war and peace strategies our concern has been primarily for Europe. It is undoubtedly both practically and emotionally an area requiring urgent and vigorous effort. If, however, we are not to go on waiting for crises to develop before we become aware of them it will be necessary to act like the U. S. S. R. on a global basis. In respect to Southeast Asia we are on the fringes of crisis. The initiative I consider is still narrowed on our side. Specifically, what this may mean is Will the United States—and here I don't mean just the policy makers—be rich enough and above all willing and foresighted enough to apply preventive measures before South Asian opportunities are squandered?

In our preoccupations with Europe and our heavy and legitimate responsibilities there the weight of European arguments may cloud our judgments. For example, the interests and stability of France and the Netherlands, close and familiar as they are, may serve to throw out of perspective our very real interests in Indochina and Indonesia. Traditionally British preeminence in South Asia may have made us careless of developments in the region.

To continue with this weighing of Europe versus Asia, the question of the Pacific versus the Atlantic Pact is another case in point. If the Atlantic Pact is obviously in our immediate interest is a Pacific Pact less in our long-range interest? Or, to narrow the matter down, can we judge whether military support to the Northeast Asian group, Korea, Formosa, Japan, and the Philippines is more effective than support to the Southwest Pacific group, Australia, New Zealand, the Philippines, perhaps plus other commonwealth nations? Or, thirdly, is it more effective to support the more nebulous Indian Ocean bloc? Do United States interests lie in consolidating the Indian Ocean bloc with the two Pacific arcs or do our interests lie in two or more such aggregations in the far eastern periphery? If one or the other courses seems wise to us what means can be applied to implement them? These are questions which I assume this group will discuss in the course of the day.

In discussing United States weaknesses in the Far East I have raised two related issues, our preponderant interest in Europe and therefore the degree to which we have as a people concentrated our eggs in one basket.

The last point I should like to raise in respect to Southeast Asia is even more unabashedly a valued judgment. It has to do with our moral leadership in the area. If we wish to be seriously hard-headed about the Southeast Asian scene it is necessary to realize that their moral values are still potent and prized factors. Their leadership was primarily trained in our founding faith. The streets of Saigon and Batavia were plastered with slogans from Jefferson, from Lincoln, from the Declaration of Independence, from the Constitution and from the Atlantic Charter when the allied troops arrived in September 1945. In our commitments to Europe and our antagonism to the U. S. S. R. we may appear in that area to have temporized with the idealistic and perhaps naive expectations of Southeast Asians. Whether it was avoidable or unavoidable we certainly lost much of our influence in the area. Whether or not we personally as individuals prize our traditional morality or have been won over to *real politik* is not relevant sociologically. What is relevant is to the extent that the United States temporizes with its own principles it is abandoning an instrument of great political force in Southeast Asia. The U. S. S. R., were it in a similar position of active responsibility, would undoubtedly be even more gross by contrast, but so far we are in Southeast Asia, at least to some extent.



We have the initiative. The U. S. S. R. and Communist China are still only potential forces, perhaps brighter for being less manifest.

This much is clear: Whatever our priorities in the short run, however coldly calculated in power terms, they must be compensated for by long-range encouragement, reassurances and planning with and for the South Asians if we are to counteract Communist intrusions.

The CHAIRMAN. Thank you very much, Miss DuBois.

Mr. MORRIS. Professor, did you testify whatever at any time during your open session testimony, about Ruppert Emerson?

Mr. COLEGROVE. No. I never mentioned the name of Prof. Ruppert Emerson. I am very sure that I did not hear that name mentioned by any of the Senators on the subcommittee.

Mr. MORRIS. Mr. Mandel, have you prepared a careful scrutiny of Professor Colegrove's open testimony?

Mr. MANDEL. Yes.

Mr. MORRIS. Does the name Ruppert Emerson appear?

Mr. MANDEL. It does not appear anywhere in his testimony.

Mr. COLEGROVE. I was amazed to have a deluge of letters from my colleagues at Harvard University, including Professor Emerson himself, bitterly chiding me for having mentioned his name as a member of the conference. I was testifying, Mr. Morris, with a list of the membership before me, so it would seem almost impossible to give his name.

Senator SMITH. How did his name come in?

Mr. MORRIS. Considerable press report the next day reported Professor Colegrove said Prof. Ruppert Emerson was among the pro-Chinese Communist group. Professor Emerson wrote a letter of protest to the committee.

We informed him that his name had not come up in the testimony and that we would put the letter in the record to show that fact.

Senator SMITH. Do you know how his name got into the paper?

Mr. MORRIS. Apparently, it must have been a mistake. Professor Colegrove wanted the record to show he did not mention his name. We put the list of the 25 people who did attend the conference in and Ruppert Emerson's name was not on that.

Mr. COLEGROVE. It was not a mistake in the record.

Mr. MORRIS. No.

Is there anything else about your testimony, Professor Colegrove, in your open testimony? I have tried to take the high lights.

Mr. COLEGROVE. Would it be permissible, Mr. Chairman, for me to make a few remarks regarding my own remarks at the conference?

Would it be in order for me to illustrate the reactions to some of my own remarks in the conference?

Mr. MORRIS. Yes; I think that is appropriate. In other words, you want to show that your testimony concerning your own remarks at the conference was borne out by reading the transcript?

Mr. COLEGROVE. Yes.

In the first session, which was on October 6, 1949, page D-10, Mr. McNaughton, who was one of the members of the conference, made a very pessimistic speech in which he said:

I think we are all washed up in China.

He proposes getting out of all of China, and he intended to include Formosa, too. That gave a very pessimistic beginning to the discussion. This was practically at the beginning of the conference, because others agreed with him. I took exception to this view.

I said:

Dr. Fosdick—

who was presiding—

I would not agree at all that we are washed up in China nor that the Nationalist Government on Formosa is washed up.

I went on to point out that there were spots of resistance in China at this time, and I called attention to General Chennault's plan for assisting Chiang Kai-shek logistically to make a landing on Fukien and the continent of China and to assist the elements of revolt against the Communists there existing.

This view that I proposed then was rather warmly condemned by several members of the conference, and in particular by Mr. Murphy and by Owen Lattimore.

I won't go into the quotations, except to say that Mr. Murphy and Owen Lattimore at very considerable length took exception to my proposal that we give military aid to Chiang Kai-shek to assist him to recover the southern part of China and to neutralize the Chinese Communists.

At this point, Mr. Chairman, I suggested to the chairman of the conference that the conference ought to have a briefing on the military situation in China.

Shortly afterward, we were given a briefing by an officer—I am not sure whether he was from the Army or whether he was from the Central Intelligence Agency. He was Colonel McCann.

At another point, it seemed to me that the State Department was making the best of a bad situation with reference to the withdrawal of our consulates from China.

This discussion occurs in volume 1, page C-8. It involves a short controversy between myself and Mr. Butterworth, who was speaking for the State Department in this matter.

It seemed to me that the withdrawal of our consulates in China left us in a very awkward position. We lost listening posts. There were, of course, and still are, adventurous young men in the Foreign Service who would have been willing to stay on and try to serve their Government and collect information.

Mr. MORRIS. This came up in the transcript?

Mr. COLEGROVE. Yes. This comes up in the transcript.

Discussion begins in volume 1, page C-8.

Again, we have quite a number of facets concerning the recognition of Red China in volume 5, page B-4, and again at page 34, covers part of this controversy. Let me read one section here. These volumes are not easily handled.

The question has arisen with reference to possible recognition of Red China *de facto* or *de jure*. My position had been that we should not accord them either *de facto* or *de jure* recognition. At the same time, however, I felt that the situation in Japan was such that there would have to be eventually some trade between China or North China and Japan because Japan has been, for years, dependent upon certain resources from Manchuria. In order to avoid a recognition of Red China but at the same time permit trade between Japan and China, I proposed a *modus vivendi* which might be an arrangement from day to day, week to week, or month to month, for exchange of raw ma-



terials and finished products between Manchuria and Japan without recognition.

In the matter of recognizing Red China, I tried to make the point that recognizing a Communist government would not bring about the blessings which so many people fondly expected to accrue from such recognition. Communist countries do not subscribe to the underlying principle of our international society, namely, sanctity of treaties and good faith in observing treaties.

I pointed out that the State Department itself in the person of Chip Bohlen, a specialist in Russia, had indicated that the philosophy of Soviet Russia and the philosophy of Marxian countries was such that they did not subscribe to the sanctity of treaties.

That being the case, what advantage could there be from recognition of a country which would not admit that it was bound by laws of international law?

Still, again, one thing that amazed me in this conference which was on China, there was so little reference to the traditional American policy in Asia. That traditional policy was the open-door policy.

Mr. MORRIS. Is this your conclusion after reading the transcript, or just your recollection?

Mr. COLEGROVE. I am referring to my argument that recognition of Red China would not insure that the open-door policy would be observed by Red China and it was useless, therefore, to recognize her, because we would have none of the advantages of former policy which was generally accepted by the nations.

Mr. MORRIS. Does the transcript bear out your recollection?

Mr. COLEGROVE. Yes. Do you want me to read it?

Mr. MORRIS. No.

Mr. COLEGROVE. It covers pages 32 and 35.

I might add, Mr. Morris, it is also carried on to pages 68 and 69.

Mr. MORRIS. You testify that there was no discussion encouraging the State Department's white paper. Does reading the transcript bear out that testimony?

Mr. COLEGROVE. Mr. Counsel, I was looking for that point just as the hearing began. I have not had time to verify all of these. My recollection was that Mr. Jessup or, rather, Mr. Fosdick who presided over the first session, told the conference that the State Department was not interested in getting our views on the white paper of China.

Mr. MORRIS. You have not found that in the transcript?

Mr. COLEGROVE. I have not found it. Probably in a minute or two, I could find it.

Mr. MORRIS. You can point it out to us later.

Mr. COLEGROVE. I can probably find it.

Mr. MORRIS. Are there any other points in your testimony that are borne out by the transcript?

Mr. COLEGROVE. Mr. Counsel, there is nothing else. I agree heartily with the analysis which Governor Stassen made this morning.

I thought that analysis was very complete and very accurate.

Mr. MORRIS. We will have some letters to go into the record.

Senator SMITH. After this conference, do you recall that you or Governor Stassen discussed this meeting, or was it not supposed to be discussed publicly?

Mr. COLEGROVE. It was not supposed to be discussed. The presiding officer, Dr. Fosdick, the first morning, indicated that the discussions were to be confidential.

Senator SMITH. At or about that time there were a great many other American citizens besides Dr. Jessup, Dr. Lattimore, and the people there, who were advocating the same thing they were advocating, were there not?

Mr. COLEGROVE. Yes.

Senator SMITH. In other words, a great many people had gotten, as we would say in common parlance, disgusted with the Nationalist Government because of the chicanery and the defaults and promises by reason of embezzlements and those things?

Mr. COLEGROVE. That is right.

Senator SMITH. Is not that one of the things that caused some citizens to feel that the Nationalists could not be trusted any more than the Communist government?

Mr. COLEGROVE. I felt that a great deal of what was said about Chiang Kai-shek was pure propaganda.

Of course, there was the Chinese squeeze. The Chinese squeeze is two or three thousand years old. I may say in talking about politics that in Chicago I find there is a Chicago squeeze, too.

Senator SMITH. We are talking about Chinese politics now?

Mr. COLEGROVE. There was a squeeze in Chicago just as there is a Chinese squeeze.

Senator SMITH. What I mean is this: As to the position that you took and Governor Stassen took, a great many people have taken that position, and likewise a great many people have taken the opposite position.

Mr. COLEGROVE. Yes.

Senator SMITH. And that, in itself, does not mean too much one way or another, except that those were the views of groups.

Mr. COLEGROVE. I was rather surprised when I came to Washington to attend this conference to find so many members of the conference who had been among the group who were partly responsible for the fall of Chiang Kai-shek and the victory of the Communists.

Senator SMITH. All right.

Now, did you feel that conference was rigged, so as to have that type or that group predominate? Was that your feeling at the time?

Mr. COLEGROVE. Definitely, Senator, that was my feeling. I thought the conference should have included quite a number of men who were left out, but who were, you might say, in favor of the Chiang Kai-shek government, men like Stanley Hornbeck, who had long experience, and were available, or men like William McGovern, or Eugene Dooman, or a Yale professor by the name of David Rowe.

I expected to see a more even balance.

Senator SMITH. Did you have the feeling at that time that those men or those types of men had been purposely left out so as not to have a full argument on the other side?

Mr. COLEGROVE. Definitely so.

Senator SMITH. Now, did you have any specific evidence that would justify you, other than just the general feeling?

Mr. COLEGROVE. Well, the only evidence would be the number of pro-Communist experts invited to the conference and the smallness of the number of anti-Communist experts on the other side.



Senator SMITH. Did you have anything further?

Mr. MORRIS. That is all, Mr. Chairman.

We have some letters I would like to introduce into the record.

Senator SMITH. Will you identify them properly?

Mr. MORRIS. Yes. There is one that I think should be read, Mr. Chairman, because it bears on this.

Senator SMITH. There is one other question I wanted to ask you, Mr. Colegrove.

Did you or Governor Stassen, so far as you know, make any public speeches or write anything in magazines or newspapers or give any press releases that bore out your ideas about this situation; without referring to the conference, I meant?

Mr. COLEGROVE. Oh, yes, very frequently. And numerous talks. In numerous talks that I have made I have expressed my views, with reference to aid to the Nationalist Government.

I think that most of the members of the conference never quoted what was said in the conference until some of us were asked under oath and under subpoena to appear before this committee and indicate what the discussions were.

Senator SMITH. You know, there is such a thing as hindsight and foresight, and I was just trying to get to the point as to whether there was any expression by you or Governor Stassen at that time that would indicate that that was then your opinion, and that you so expressed it.

Mr. COLEGROVE. Outside the conference?

Senator SMITH. Yes.

Mr. COLEGROVE. Oh, yes. I can't speak for Governor Stassen, but I would say his numerous speeches reiterated the very same thing he said at the conference.

And I am sure my addresses have done the same thing.

Senator SMITH. In other words, it is possible, though, and that is what I was pointing up to, that a great many things said about Russia, before Russia became our ally, were things which the people recanted after Russia became our ally, and then when it became the enemy they took up the old line.

Mr. COLEGROVE. Yes, that commonly occurs.

Senator SMITH. So what I want to do is to get this oriented in the light of what was the condition at that time.

Mr. COLEGROVE. Well, I think the opinions expressed at the conference were frequently and publicly expressed by almost every member of the conference.

Senator SMITH. Now, then, what is the next thing?

Mr. MORRIS. Will you read our letter of October 5, Mr. Mandel?

Mr. MANDEL. This is a letter of October 5, 1951, to Hon. Dean Acheson, Secretary of State:

MY DEAR MR. SECRETARY: Will you make available to the Senate Internal Security Subcommittee a transcript of the minutes of a conference held by the Jessup Commission, presided over by Philip C. Jessup, on September 14, 1949, in Washington, at which were present Messrs. Meaney, Delany, and Lovestone of the American Federation of Labor, and Messrs. Carey and Ross of the CIO?

Your cooperation in this matter will be appreciated.

Sincerely,

PAT MCCARRAN, *Chairman.*

Letter of October 11, 1951, on letterhead of the Department of State:

MY DEAR SENATOR MCCARRAN: I have your letter of October 5 to the Secretary requesting "a transcript of the minutes of a conference held by the Jessup Commission, presided over by Philip C. Jessup, on September 14, 1949, in Washington, at which were present Messrs. Meaney, Delany, and Lovestone of the American Federation of Labor, and Messrs. Carey and Ross of the CIO."

No stenographic transcript of this meeting was made, but the Department's files do contain a four-page summary record of the conference in the form of a memorandum, subject: Views of Organized Labor With Respect to United States Policy in Asia. This brief summary memorandum does not quote any participants directly nor does it spell out in detail the views and opinions of individual participants. It is in fact merely an informal record of the sense of the meeting and hence has not even been verified by the participants.

The September 14, 1949, meeting was called by the Department as a means of conferring with representatives of organized labor and of obtaining their concrete suggestions for United States policy in Asia.

The Department has followed the practice of conducting such conferences with representative groups in regard to each area of the world in order to ascertain the views of experts and open leaders in all walks of American life. The Department has learned from experience that great benefit is derived from face-to-face informal conferences with truly representative persons from business, farm, labor, veterans, religious, and other important groups. To ignore the contribution these citizens are capable of making, in the Department's judgment, is to encourage "ivory tower" policy making and narrowness of view.

It is also pointed out that since the sole purpose of these meetings is to obtain the best private thinking available on various problems of foreign affairs and not to either formulate or to promote policies, a completely frank and uninhibited exchange of views and ideas is essential. This can be made possible only if the participants are assured that their remarks will be held in complete confidence. The Department has provided this assurance and has done so in good faith.

Under these circumstances, the Department would be guilty of a breach of confidence were the informal record of the September 1949 conference made available to the committee without the prior approval of the participants. Should the committee wish the Department to place the matter before the organized labor representatives who attended the meeting, however, the Department will do so.

Sincerely yours,

CARLISLE H. HUMELSINE.

Senator SMITH. What is the purpose of that letter in this record? Just to show you have called for this memorandum and did not get it?

Mr. MORRIS. The idea is that the committee may decide to take some testimony on what happened at that conference.

Senator SMITH. I suppose we can do that, can we not?

Mr. MORRIS. Yes.

Senator SMITH. I mean, what is the point of putting that letter in here?

Mr. MORRIS. Well, the request is in the record, Senator, and I think since the request is in, we should have the answer of the State Department.

Senator SMITH. I do not see how that serves as evidence in this hearing, except that you may want to call on them and have a hearing, subpoena these witnesses, and so on.

But what point does that serve in having it go in here?

Mr. MORRIS. If the request of Senator McCarran asking for that is in the record, I think in all fairness to everybody, the reply on the part of the State Department should go in.



Senator SMITH. I have no objection to having it go in, but I do not see any point in it, particularly.

Mr. MORRIS. It is the background, Senator. If the decision is now made that we should have to take some testimony, it is because we were not able to get the transcript.

You see, in connection with this, Senator, if this transcript had been made available to the committee some weeks ago, when we brought Mr. Colegrove down three times and Mr. Stassen three times, to testify as to what happened at this particular conference, all of that would not have been necessary. It all could have been obviated if we had had the transcripts.

Senator SMITH. What else do you have?

Mr. MANDEL. On September 25, 1951, exhibits 266 and 267 were two letters, one addressed by Senator McCarran to Hon. Dean Acheson, asking for details in reference to a conference held on October 12, 1942, in regard to which we have received testimony.

Then the reply was also made an exhibit, dated September 1, 1951, and in this reply the Department letter, signed by Jack K. McFall, says that:

These efforts to obtain information respecting the meeting were complicated by the fact that the departmental officers who reportedly participated were no longer with the Department.

The Department will again examine its files with a view to obtaining information bearing on the specific questions in your letter of August 27 and will write you further upon completion of this reexamination.

Now, we have received a letter with regard to that conference, signed by Sumner Welles on his own personal letterhead. This letter has been directed to Mr. Victor Lasky, and we have a letter from Mr. Victor Lasky permitting us to make this part of our records, and if you will permit, I will read the excerpt from the letter of Mr. Welles pertaining to this conference.

Senator SMITH. What conference was that?

Mr. MORRIS. That came up in previous testimony, Mr. Chairman.

Senator SMITH. Has that been referred to heretofore?

Mr. MORRIS. Yes; several witnesses have testified, and this letter is probative, has some evidentiary bearing on that testimony.

Senator SMITH. Has the other letter been challenged by the State Department?

Mr. MORRIS. No; the only trouble is that no records of it can be found.

Senator SMITH. All right.

Mr. MANDEL. This is the letter of Sumner Welles, addressed to Mr. Victor Lasky, dated August 24, 1950, and I read a part of the letter:

To the best of my recollection I saw Mr. Earl Browder, whom I had not previously met, twice at my office in the State Department, the first time at my request and the second time at his request.

We were very much interested in the State Department at that time——

Senator SMITH. It says "concerned."

Mr. MANDEL (reading):

We were very much concerned in the State Department at that time lest the armies of the Chinese Nationalist Government and the armed forces opposed to the Nationalist Government expend their energies on fighting each other rather than on fighting the Japanese invaders. My recollection is that the first

interview with Mr. Browder was suggested by the White House as a result of an article that had appeared in the *Daily Worker*, which gave a wholly false account of American policy with regard to China and which it was believed might do harm in China by provoking an even more acute crisis between the Nationalist Government and the Chinese Communists. It was for that purpose that Mr. Browder was requested to come to see me. My recollection further is that a correction was, in fact, later made in the *Daily Worker*. I believe further that my second and final interview with Mr. Browder had to do with the same matter and was held after the correction in the *Daily Worker* had been made.

MR. MORRIS. Mr. Chairman, will you accept those into the record?

SENATOR SMITH. I do not see much point to it, but anyhow, they can go in.

(The communications referred to were marked "Exhibit 336" and are as follows:)

EXHIBIT No. 336

OCTOBER 10, 1951.

ROBERT MORRIS,  
Senate Judiciary Committee,  
Senate Office Building, Washington, D. C.

DEAR MR. MORRIS: Concerning your letter of October 7, in which you request correspondence sent me by Mr. Sumner Welles, please find enclosed said correspondence. I have no hesitation about turning it over to you as Mr. Welles, I believe, understood that it was meant for publication. However, I would appreciate your notifying Mr. Welles that you have obtained same.

Sincerely,

VICTOR LASKY.

BAR HARBOR, MAINE, August 24, 1950.

MR. VICTOR LASKY,  
New York, N. Y.

MY DEAR MR. LASKY: Your letter of August 17 has been forwarded to me. Since I am here in Maine and all of my personal memoranda and files are at my house in Maryland, it is not possible for me to consult the latter with regard to the inquiry you make of me. After my return home early in October I will be glad to give you the detailed information which you request if that will not be too late for your purposes.

As you will understand after an interval of some 10 years I do not remember the details offhand.

To the best of my recollection I saw Mr. Earl Browder, whom I had not previously met, twice at my office in the State Department, the first time at my request and the second time at his request.

We were very much concerned in the State Department at that time lest the armies of the Chinese Nationalist Government and the armed forces opposed to the Nationalist Government expend their energies on fighting each other rather than on fighting the Japanese invaders. My recollection is that the first interview with Mr. Browder was suggested by the White House as a result of an article that had appeared in the *Daily Worker*, which gave a wholly false account of American policy with regard to China and which it was believed might do harm in China by provoking an even more acute crisis between the Nationalist Government and the Chinese Communists. It was for that purpose that Mr. Browder was requested to come to see me. My recollection further is that a correction was, in fact, later made in the *Daily Worker*. I believe further that my second and final interview with Mr. Browder had to do with the same matter and was held after the correction in the *Daily Worker* had been made.

Believe me.

Sincerely yours,

SUMNER WELLES.

MR. MORRIS. I think that is all we have today, then, Mr. Chairman.

The full Judiciary Committee meets tomorrow, I understand, and Monday, and we have four executive sessions scheduled for Tuesday,



so I think the next open hearing we will be able to have will be Wednesday.

Mr. Wallace and Mr. Alsop have both asked that they be permitted to appear in open session, and I think Senator McCarran is trying to work out an open hearing for them on Wednesday.

Senator SMITH. If they have any information to give us, all right. If there is nothing further, then, the hearing is in recess.

(Whereupon, at 4:05 p. m., the hearing was recessed, subject to the call of the Chair.)

Mr. VICTOR LASKY.  
Dear Mr. Alsop: Your letter of August 11 has been forwarded to me. Since I am here in Manila and all of my personal memoranda and correspondence are in Manila, it is not possible for me to return the letter with regard to the inquiry you make of me. After my return home early in October I will be glad to give you the detailed information which you request if that will not be too late for your purposes. As you will understand after an interval of some 10 years I do not remember the details of the case. To the best of my recollection I saw Mr. John Browder when I had not previously met twice at my office in the State Department, the first time at my request and the second time at his request. We were very much concerned in the State Department at that time less the armies of the Chinese Nationalist Government and the armed forces opposed to the Nationalist Government expend their energies on fighting each other rather than on fighting the Japanese invaders. My recollection is that the last interview with Mr. Browder was suggested by the White House as a result of an article that had appeared in the Daily Worker, which gave a wholly false account of American policy with regard to China and which it was believed might do harm in China by providing an even more genuine cause between the Nationalist Government and the Chinese Communists. It was for that purpose that Mr. Browder was requested to come to see me. My recollection further is that a correction was in fact made in the Daily Worker. I believe further that my second and final interview with Mr. Browder had to do with the same matter and was held after the correction in the Daily Worker had been made. Believe me, very truly,  
Sincerely yours,  
John M. Brown

Mr. MORGAN. I think that is all we have today, then Mr. Chairman. The Judiciary Committee meets tomorrow. I understand, and Monday, and we have four executive sessions scheduled for Tuesday.

# INSTITUTE OF PACIFIC RELATIONS

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WEDNESDAY, OCTOBER 17, 1951

UNITED STATES SENATE,  
SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION  
OF THE INTERNAL SECURITY ACT AND OTHER INTERNAL  
SECURITY LAWS OF THE COMMITTEE ON THE JUDICIARY  
*Washington, D. C.*

The subcommittee met at 10:15 a. m., pursuant to notice, in room 424, Senate Office Building, Senator Pat McCarran (chairman) presiding.

Present: Senators McCarran, Eastland, O'Connor, Smith, Ferguson, and Jenner.

Also present: Senators McMahon and McCarthy; J. G. Sourwine, committee counsel; Robert Morris, subcommittee counsel; and Benjamin Mandel, director of research.

The CHAIRMAN. The committee will come to order.

I am sorry the room has to be crowded as much as it is. I hope you will assist us in keeping it as quiet as possible.

Let me say at the outset that it is quite customary where two or more witnesses are to be in attendance under a general orderly procedure to have the witnesses not before the tribunal or before the committee excluded from the room. It is the judgment of the committee that in this case that rule will be waived. Mr. Alsop is here, and he may remain here.

You may proceed, Mr. Morris.

Mr. MORRIS. Mr. Wallace has not been sworn, Senator.

The CHAIRMAN. You do solemnly swear the testimony you are about to give before the Judiciary Committee of the United States Senate will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WALLACE. I do.

## TESTIMONY OF HENRY A. WALLACE, SALEM, N. Y., ACCOMPANIED BY GEORGE W. BALL, COUNSEL

Mr. MORRIS. Mr. Wallace, is it true that you asked to come before this body because public testimony has been given to the effect that you were guided by Communists?

Mr. WALLACE. That is my understanding of the testimony of Mr. Budenz.

Mr. MORRIS. Mr. Chairman, I am asking if you will receive in evidence today the testimony of Mr. Wallace for that limited purpose, namely, Mr. Wallace feels that testimony before this committee is of



such a nature that his character and reputation has been damaged, and he would like to testify before this body.

The CHAIRMAN. Very well, he has that right.

Mr. MORRIS. In addition, Senator, there are certain aspects of Mr. Wallace's testimony that relate to the Institute of Pacific Relations, and we would like to have that accepted in the ordinary course of this hearing.

The CHAIRMAN. You can bring that up in your questions as you see fit.

Mr. MORRIS. I think, Senator, I would like to go into the latter at the outset.

Mr. Wallace, did you write a booklet for the Institute of Pacific Relations at any time?

Mr. WALLACE. Yes, in April and May of 1944 I wrote a booklet entitled "Our Job in the Pacific."

Mr. MORRIS. Will you relate to us the circumstances preceding your writing that booklet?

Mr. WALLACE. After it had become public knowledge that I had been designated by President Roosevelt to go on a mission to China, a representative or representatives of the Institute, and I do not know which—

Mr. MORRIS. You do not know who they were?

Mr. WALLACE. I do not know which, whether it was one or whether it was more than one who called on me, and I do not have any way of ascertaining unless that could be obtained from the institute.

I do remember very clearly that sometime in March or early April Mrs. Lattimore did call on me with the proposal that I write the pamphlet, and I indicated that I was very short of time with this trip coming on, that I couldn't take the time to write the pamphlet, that I did have certain ideas that I would very much wish to get on the record, that I was honored by the—I am not sure I said that I was honored by it, but in retrospect I would say I was honored by the request.

Senator FERGUSON. Did she indicate she was representing the Institute of Pacific Relations?

Mr. WALLACE. Yes; that was very clear she was representing the Institute of Pacific Relations.

So we did work together. I dictated quite a mass of material to Mrs. Lattimore.

Mr. MORRIS. You dictated it to Mrs. Lattimore?

Mr. WALLACE. Yes.

Mr. MORRIS. Did she take it down in shorthand?

Mr. WALLACE. No, she took it down in outline. I don't think she is an expert in shorthand. She may be. I don't know as to that. Anyhow, I did dictate a mass of material in outline to Mrs. Lattimore. I got various friends to work on certain other aspects of the important investment problem in China, that is, people who had been in the Board of Economic Warfare when I was there.

Mr. MORRIS. Will you identify those for the committee, Mr. Wallace?

Mr. WALLACE. I don't remember their names. I remember they were in the Board of Economic Warfare. It may be that I just sent the word out to get that material. I don't think it is relevant to what you are after here because I don't think there is any discussion with

regard to the nature of that material and the section on investment. So far as I know, there is not, so I think it would be quite proper not to go into that side of it.

Mr. MORRIS. Mr. Wallace, one of the issues here concerning the testimony was whether or not you were guided by Communists.

Mr. WALLACE. I can assure you that nobody who gave me this information on investments was a Communist or ever mentioned as a Communist, I can assure you that.

Senator FERGUSON. Do you know whether there were any in your department?

Mr. WALLACE. The Board of Economic Warfare?

Senator FERGUSON. Yes.

Mr. WALLACE. I did not know at the time. I have been told since that there were. As a matter of fact, I have been trying to get information on that on this trip, but so far I have not been able to do it.

I do know that Mr. Dies alleged there were. I do know one of the men he mentioned threatened suit against Mr. Dies, and Mr. Dies withdrew the allegation on the floor of the House, and the House recompensed him to the extent of attorney's fees amount to \$800 or \$900 for the damage he had done this man.

Senator FERGUSON. Was that one of the men who furnished any of the material?

Mr. WALLACE. I don't think this man was. I am quite sure he was not because he was in an administrative position.

Mr. MORRIS. In view of what we have just said, you will agree that was a proper inquiry?

Mr. WALLACE. I will agree that it is a proper inquiry, but I am sure you will also agree that in a public hearing damage could be done to any people that might be mentioned in connection with this particular matter even though there is absolutely nothing that is valid, absolutely nothing, and I think if you will read the section on investment you will agree.

There is no valid criticism or there can be no suggestion by anyone there is anything of a Communist nature in the section on investments. As a matter of fact, it stands out quite clearly, you might say, as a free-enterprise proposal with regard to investments.

Mr. SOURWINE. You have no fear, have you, that the naming of someone as a person who helped you prepare material for this booklet would damage that person in any way?

Mr. WALLACE. Yes, I would say, with the type of publicity that has been current and with the atmosphere that exists in Washington today, that would tend to be the net effect. That is really what I feel.

Mr. SOURWINE. Do you want the committee to understand that you are going to decline to answer questions with regard to matters which you do not consider relevant?

Mr. WALLACE. Now I certainly shall not do anything to stand in contempt of the committee or, as a matter of fact, to make a statement which the committee would feel is not cooperative. I just urge on this committee this point of view, and I think the committee will agree it is a just view.

The CHAIRMAN. Just a minute. With reference to counsel, you have a right, but you are not going to sit alongside of the witness and whisper to him what his answers are going to be.



Senator SMITH. Mr. Chairman, I know that we do not want to have a continual disturbance here, and I am sure counsel does not want to, either. What about having counsel sit at some little distance from the witness so he can object at the proper time when anything is asked and do it on the record?

The CHAIRMAN. All right.

Senator SMITH. Mr. Wallace, you said just then, and I quite appreciate what you have in mind, that whenever you make a statement, a public record, it could hurt somebody under the present state of the public mind.

Now does that not in your opinion, as has been the opinion of the committee, justify some sessions of this committee in executive session for the purpose of seeing whether or not there is any real background?

Mr. WALLACE. I quite appreciate the feeling of the committee with regard to holding closed sessions in order to protect the reputations of people, and I have heard the committee so state, and the counsel of the committee so state. I think it is a fine thing that the committee is taking this enlightened position, and in accordance with this enlightened position I feel if the committee feels there is anything in this section dealing with investments that bears on the case in point, why, I shall certainly be most glad to answer.

But unless you do feel that, I would hope that you will let my refusal to answer stand.

Senator SMITH. In other words, in that connection there may be instances in which you would feel that a public disclosure of a person's name might do him some damage, and therefore you would prefer to answer a question of that sort in executive session where he could be protected?

Mr. WALLACE. Yes; I think that would be fair to the people involved.

Senator FERGUSON. May I inquire as to whether Mrs. Lattimore, or anyone in the Institute of Pacific Relations, indicated what they wanted you to write about?

Mr. WALLACE. I don't remember exactly what she or they, as the case may have been, might have said. I do know that I had long had an interest in this part of the world.

As a matter of fact, it is my recollection I gave to President Roosevelt back in 1933 or 1934 a book by one of the witnesses before this committee, Professor McGovern, an outline of the history of China. It is my recollection he was the author of this particular book, and I called attention to certain segments of this book dealing with China. So my interest was long standing.

So when I was going to go on this trip to China, I felt it was a unique opportunity, since the institute had indicated their interest, to put certain of my views on the record.

Senator FERGUSON. But they came to you and initiated the project?

Mr. WALLACE. They initiated it. I did not initiate it.

Mr. MORRIS. So that the record may be accurate on this, Mr. Wallace, I think the question addressed to you was, Do you know the names of the people who supplied this information from the Board of Economic Warfare?

The CHAIRMAN. Just a moment.

Senator McMahon, will you have that seat at that separate table?

Mr. WALLACE. I can remember one name.

Mr. MORRIS. Will you give us that name in executive session?

Mr. WALLACE. Yes, of course I will give you that name in executive session.

Mr. MORRIS. Do you recall any other names?

Mr. WALLACE. No, I don't. He worked with the various people. Of course, at that time it was the FEA; it was not the Board of Economic Warfare. He may have consulted with men who were in the FEA. I don't know whether he was in FEA at that time or not—I have forgotten—but he had been in FEA, I know, and in the Board of Economic Warfare, and I wanted to get this highly technical material. This man saw that I did get it.

Senator SMITH. Mr. Chairman, in that connection I think we ought to have a clear understanding about this. Mr. Wallace has said that he will give this name and other names in executive session. I presume that all of us understand that anything given in executive session may, upon a decision by the committee, be thereafter used, after consideration is given to it?

The CHAIRMAN. That is correct, the witness should know that.

Senator FERGUSON. Otherwise we could not write a report.

Mr. WALLACE. I may say, however, that you will find in reading over this section there is no reason in the world for incorporating it in any report of any nature. I think you will agree with me, if you will look into the facts, that there is absolutely no purpose to be served, and I suspect you will not care to press the matter in executive session if you will look into the data in this particular segment.

Mr. SOURWINE. Mr. Chairman, in justice to Mr. Wallace, I think it should be made clear that he has not refused to tell the committee here. He has simply requested the opportunity to defer that answer until we have an executive session.

The CHAIRMAN. That is very clear and very well understood.

Senator SMITH. If that is his judgment, I am willing to abide by that for the present in order that those persons may be protected.

The CHAIRMAN. The very aim and object of the committee in holding executive sessions was to weed out and eliminate any possible testimony that might do injury to an innocent person. We have been criticized for that procedure very severely. But we will persist in that procedure nevertheless with the hope that we may eventually work out something that the American public and the Congress of the United States may have confidence in.

Mr. MORRIS. Mr. Mandel, will you read the designated sections from that pamphlet that we have introduced in executive session?

Mr. MANDEL. I read from page 14 of *Our Job in the Pacific*, by Henry A. Wallace:

Today the peoples of the east are on the march. We can date the beginning of that march from 1911 when the revolutionary movement among the Chinese people, inspired by the teachings of Sun Yat-sen, overthrew the Manchu dynasty and established a republic. This was the first time in the vast and culturally rich history of Asia that an Asiatic people turned its back on the whole principle of monarchy and hereditary rule and, in spite of the difficulties and obstacles that still remained, set out courageously toward the attainment of democracy—government of the people, by the people, for the people, through the elected representatives of the people. The march was joined later by the Russians, and the many non-Russian peoples of the Soviet Union who link Europe with Asia across the greatest land mass of the earth, when the October revolution opened the way for the peasant to move in and begin to take over his own land.



Mr. MORRIS. Will you continue reading those excerpts, Mr. Mandel?

Mr. MANDEL. On page 24 of the same pamphlet, speaking of free Asia when the war ends:

Free Asia will include first of all China and Soviet Asia, which form a great area of freedom, potentially a "freedom bloc," which it is to our interest to have become a freedom bloc in fact.

Then on page 28:

The Russians have demonstrated their friendly attitude toward China by their willingness to refrain from intervening in China's internal affairs.

Then on page 30:

Russian interest in the Far East is not likely to be that of territorial expansion.

Mr. MORRIS. Mr. Wallace, I understand from your testimony in executive session that there are certain passages in that pamphlet you would like to call to the attention of the committee.

Mr. WALLACE. Following the hearing in executive session—let me put it this way—in the first place, not all these passages were introduced in executive session.

Mr. MORRIS. You did read from your pamphlet in executive session?

Mr. WALLACE. Yes. I did read in response to a question from Senator Watkins, I believe, who read the first part of the section quoted on page 14, and I read the remaining part, as is my recollection.

The other pages were not introduced in executive session, I think you will find, although I think it is your intent to have them, and I think it is quite agreeable to me to comment on them now.

Pursuant to the question raised by Senator Watkins, who felt that this must not be my idea but must be somebody else's, I wrote him a letter on October 11. I suggest that this letter be introduced in the record, and now might be a proper time to introduce it in the record.

DEAR SENATOR WATKINS: I feel I must clear up any question of my responsibility for the thoughts expressed on page 14 of the pamphlet *Our Job in the Pacific*.

If you can have your secretary get from the Congressional Library the little pamphlet the *Price of Free World Victory*, by Henry A. Wallace, you will note on page 15 a very similar idea expressed. Then if you will read the comments at the end of this very short pamphlet [it was really a reprint of my May 8, 1942, speech] you will gather from George Fielding Elliott, Raymond Clapper, and Dorothy Thompson an insight into the temper of the times.

We were fighting for our lives, and the Senate of the United States had authorized the President to do everything he could in cooperation with England and Russia to defeat Germany.

As it is put on page 525 of Henry Stimson's book on active service: "The central political decision of World War II was that it must be fought in an alliance as close as possible with Great Britain and Soviet Russia." Not once during the war was this decision questioned or any modification of it seriously considered by Stimson or by any man whose views he knew among the leaders of the administration.

The three nations and America form the indispensable team for victory over Germany together. With or without welcomed and helpful accessions of strength from smaller nations they could not lose. Apart or at cross purposes or with any of them defeated, they could—

there is a word left out here—

hardly fail to win. It was thus the constant purpose of the American Government to do all that would achieve a cherished cordial unity of action and so to reinforce its two great allies from the vast American reservoir of material wealth, that each would press on with increasing power to a final combined victory.



I did all I could to "achieve a cherished cordial unity of action." In so doing I was carrying out the policy of the Commander in Chief of the United States and the Senate.

Today the situation has changed radically in many ways. We must remember that 1942, 1943, and 1944 were totally different in policy requirements than either 1933 or 1951.

Sincerely yours.

Now, gentlemen, if you wish me to quote with regard to this particular section, which you will find has a remarkable likeness to my speech of May 8, 1942.

Now, the next part you call attention to is on page 24. This, as I remember, had been brought up by witnesses before the committee but not called to my attention in executive session. I will now deal with it.

Where did your quotation begin, Mr. Mandel?

Mr. MANDEL. The second paragraph.

Mr. WALLACE. Now if you will read the whole page, you will discover it is the third paragraph I used the words "subject Asia" as synonymous with "colonial Asia" and this whole discussion is in terms of whether or not a land is in a colonial possession.

You will also note with regard to the freedom of individual peoples, that that is to some degree at least—the word can be used in different senses, but with regard to freedom of individual peoples, that to some extent was in my mind because I say in the part Mr. Mandel quoted:

Free Asia will include, first of all, China and Soviet Russia, which will form a great area of freedom, and potentially a freedom bloc, which is to our interest to have a freedom bloc in fact.

Certainly the Soviet Union, although I was not fully aware of it at that time—I was to a considerable extent aware of it—but the Soviet Union was certainly not practicing freedom with regard to many millions of individuals in Soviet Asia.

Mr. MORRIS. You did not say that, though, Mr. Wallace.

Mr. WALLACE. No, but what I am saying here is "which is to our interest to have a freedom bloc in fact." I do say it is not a freedom bloc. The inference is that there is not a freedom bloc at that time, but it is to our interest to have a freedom bloc in fact.

Obviously, if the object of all my endeavors at this time was what Stimson said his object was, to create maximum and cordial unity, I would not, while in the process of fighting a war authorized by the United States Senate in cooperation with Russia, go out of my way to antagonize that nation.

That simply was not in the cards in 1944. I just was not going to do that. So I think the sense in which "free" is used here, you will find if you read it over, is referring to whether or not a country is in a colonial status.

Now what was the other page?

Mr. MANDEL. Page 28.

Mr. WALLACE. Where does that begin?

Mr. MANDEL. The first paragraph.

Mr. WALLACE. You mean—

The Russians had demonstrated their friendly attitude toward China by refraining from intervening in China's internal affairs.

That was definitely true at that time.

Mr. MORRIS. What about the activities of the Chinese Communist Party. Do you not feel they were the actions of the Soviet Government?



Mr. WALLACE. That would require a great deal of testimony by people who have been on the ground a long time, and there is conflicting testimony, very definitely conflicting testimony. That is, there is testimony to the effect that Stalin did not like Mao Tse-tung at this time at all. You can find testimony from the very highest sources that Stalin called the Chinese Communists "brigands, robbers, and Fascists," and many other names.

I am not going to quote this highest authority, but I can assure you this quotation is an accurate one from the very highest authority.

Mr. MORRIS. At least you concede there is a conflict on this?

Mr. WALLACE. I don't say there is a conflict with regard to Russia's interfering in China's internal affairs at that time. I don't think there is conflict with regard to the accuracy of the statement appearing in the pamphlet.

You are asking the question: "Were the Chinese Communists in 1944 controlled from Russia?"

In reply to your question, not with regard to what is in the pamphlet, but in reply to your question, I will say there is conflict of testimony as to the extent to which Chinese Communists at that time were controlled from Russia. I think you ought to have somebody much more expert than I in that field testify on that particular point.

Mr. MORRIS. Mr. Wallace, you say here

The Russians have demonstrated their friendly attitude toward China by their willingness to refrain from interfering in China's internal affairs.

The question is, did not the activities of the Chinese Communists at that particular time represent intervention on the part of the Soviets? Your answer is unqualifiedly "No." You later say there is conflict in testimony. Did that conflict exist as of that time or is it a conflict which exists at the present time?

Mr. WALLACE. The American observers, so far as I know—as far as I can remember talking with them at the American Embassy—did not feel that the Chinese Communists were under the control of Russia.

Now that is the best authority I know.

The CHAIRMAN. What time was this?

Mr. WALLACE. That was in June of 1944. That was the feeling they had at the Embassy, that they were not under the control of Russia. It may be that they were. I just don't know.

Mr. MORRIS. You made the flat assertion in that booklet.

Mr. WALLACE. That is the best knowledge I had. I did know that the Russians had pulled out of Sinkiang, and it was to the best of my knowledge that the Russians were not interfering at that time, that the Chinese Communists were more or less autonomous.

Now subsequently events have happened more recently, and I don't think they have a bearing on what I wrote there. Subsequently events indicate that in many cases Chinese Communists that people thought were independent have not proved to be independent. I am quite willing to say that. But at this time this was my belief, that Russia was not intervening in the internal affairs of China, and you can find very reputable testimony to that effect, I am sure.

Senator SMITH. Mr. Wallace mentioned the Embassy. Do you mean the American Embassy?

Mr. WALLACE. In Chungking.

Senator SMITH. Was there any division of opinion among the people at the Embassy?

Mr. WALLACE. I don't remember any on this particular point.

Mr. MORRIS. Who are the people who advocated the interpretation you rendered?

Mr. WALLACE. Of course, when you try to reconstruct the specific conversations 7 years ago, you can't.

Mr. MORRIS. We do not want you to do that.

Mr. WALLACE. It would be my recollection that Ambassador Gauss believed this very strongly. That is Ambassador Clarence E. Gauss, our Ambassador at Chungking. That would be my recollection. Of course, I did not have the benefit of his judgment at this date because this was written in April of 1944.

Mr. MORRIS. Before you went to China?

Mr. WALLACE. Before I went to China, so that does not enter into this picture. I think we really ought to confine it to a discussion of the pamphlet and the information I had available to me at that time.

The CHAIRMAN. Who, if anyone, accompanied you on that Chinese trip?

Mr. WALLACE. Mr. Chairman, should we finish up the other points with regard to the pamphlet or not? I am quite willing to go over this if you wish.

The CHAIRMAN. That is all right. I have to leave. I want to ask that question, who, if anyone, accompanied you on that trip?

Mr. WALLACE. There was the crew of the plane. There was Owen Lattimore. There was John Carter Vincent. There was John Hazard. Those were the three I remember.

The CHAIRMAN. For some portion of the trip Mr. Alsop accompanied you?

Mr. WALLACE. Yes; he was on the plane, as I remember it, when we flew from Kunming to Kweilin.

The CHAIRMAN. Alsop was designated by General Chennault, was he not?

Mr. WALLACE. That is right.

The CHAIRMAN. They accompanied you on this trip?

Mr. WALLACE. The only air part of the trip they accompanied me on, so far as I recollect, is from Kunming to Kweilin.

The CHAIRMAN. Who in that group you mentioned were most in your company during the entire trip?

Mr. WALLACE. I would say John Carter Vincent was for most of my trip. When we went through Soviet Asia John Hazard was most of my company.

Senator SMITH. Did they all leave with you, or did you meet some of them over there?

Mr. WALLACE. These three gentlemen left on May 20 here in Washington on the airplane to go over there.

Senator SMITH. From questions asked it sounded like they might have met you on the way.

Mr. WALLACE. Mr. Alsop met me at Kunming and accompanied me to Kweilin and back.

The CHAIRMAN. I ask to be excused. I have to make a call.

Mr. SOURWINE. Mr. Chairman, at some time before Mr. Wallace leaves the question of the pamphlet and without breaking into Mr. Morris' questions, I have a series of questions to ask.

Senator SMITH. You may reserve your right to ask them.

Mr. WALLACE. Now what was the next page?



Mr. MANDEL. Page 30, Russian interest.

Mr. WALLACE. Where is that on the page?

Mr. MANDEL. Right in the middle of the page.

Mr. WALLACE. Yes; the third paragraph.

Russian interest in the Far East is not likely to be that of territorial expansion

Mr. MORRIS. Will you read the next sentence?

Mr. WALLACE (reading) :

The Russians certainly want a friendly government in China and a friendly government in Korea just as we do.

You see, at that time and for a number of years thereafter I felt it altogether improbable that the Chinese and the Russians would join up. I felt it improbable because I studied the history of that part of the world to some extent and assumed that the Chinese having seen the Russians in that steady march across Siberia, taking over some land that had been inhabited by Chinese, would feel with regard to Russia, especially the Northern Chinese would feel with regard to Russia, in the same way that the Mexican people have felt in regard to the United States; and that from any long-run point of view it was altogether improbable that there would be an effective continuing cooperation between the Chinese and the Russians.

I felt that very strongly, and I felt at this time very strongly that the Russians, knowing the attitude of the Northern Chinese with regard to them and having had that experience under Borodin interfering in Chinese affairs, an experience that proved very disastrous from the Russian point of view, would not engage in any type of territorial expansion which would awaken the sleeping might of China.

It begins to look, for the time being at any rate, that my size-up as made in 1944 was incorrect. However, history is not yet fully in, and there are fundamental forces at work there which I think are yet to express themselves.

Now with regard to the Russians certainly wanting a friendly government in China and a friendly government in Korea just as we do, that means exactly what it says, and I think with regard to its significance we only have to think of our own situation where we would like to have friendly governments on our borders, and we can postulate that another great nation would feel the same way.

I go further and say that we, the United States, also want a friendly government in China and Korea. I think it is important that the governments of China and Korea be as friendly, if there is going to be peace in the world, be as friendly to the United States as Russia.

Russia will continue to insist on friendly governments, but we also should insist on friendly governments there, if we can do it without the loss of American boys.

Is there another page, by the way, Mr. Mandel?

Mr. MANDEL. No.

Mr. WALLACE. Are there any other questions on Our Job in the Pacific?

Mr. MORRIS. It is your testimony that you were not influenced in any way by Communist propaganda by writing that pamphlet?

Mr. WALLACE. The ideas are my own, so far as I can discover. I have no reason for thinking that Mrs. Lattimore influenced what I

said in the direction of Communist propaganda, and I would cite specifically the same thing I cited in the executive hearing.

Mr. MORRIS. You mean to imply, Mr. Wallace, that any influence Mrs. Lattimore may have had on your writing would be Communist propaganda?

Mr. WALLACE. I didn't mean to insinuate—

Mr. MORRIS. I think the record would give that impression.

Mr. WALLACE. I certainly want to straighten that out because I don't have any reason whatsoever for thinking that Mrs. Lattimore was representing Communist propaganda. You gentlemen have met her face to face, and I think you will agree she makes a very favorable impression face to face.

I should like to introduce in the record at this time as an indication that if there was any Communist influence on the pamphlet, and I don't see any evidence of it, that surely they were not influencing what I said about Chiang Kai-shek on page 29, in which I say:

The steadfast leadership of President Chiang Kai-shek, which has already made China a world power, is an assurance that China's political aspirations are not limited to her own, but stand for the hopes and the progress of all Asiatic peoples.

Again it is a little hard to believe that if there were a Communist in some mysterious way, not Mrs. Lattimore but say somebody else, somebody elsewhere in the institute might have been reading the manuscript proof and decided to eliminate or insert something, it is a little hard to see how they could, if they were really on the job, how they could have let get by on page 40 my statement with regard to our strategic needs where I say:

It is probably safe to assume that the thought uppermost in the minds of our Navy after the war will concern the importance of securing naval and air bases which will insure our strategic control of the Pacific. Such bases would in all likelihood be situated on small islands like the Japanese mandate.

These bases need not become an imperial menace to Asia. Our liberation of the Philippines will outweigh our acquisition of new islands, and, unlike Japan, we have neither the will nor the interest to project control over the mainland of Asia.

Neither would our new island possessions mean a new colonialism, for their population is so small and scattered that instead of problems of local nationalism we would have problems of local trusteeship and economic welfare.

That is, I can't imagine anyone, who was really representing Russia anywhere, wanting me to come out on the eve of this trip across from Soviet Asia to China, with a statement for American bases on the Japanese mandated islands.

Mr. MORRIS. Mr. Chairman, I should like to have in the record at this time the official Communist estimate, at least the estimate of the pamphlet we have been discussing as it appeared in the Daily Worker under the byline of Frederick V. Field.

Mr. Mandel, will you read from the article?

Mr. MANDEL. I read from the Daily Worker of June 24, 1944, page 7, headed "Today's guest column, Vice President Wallace's pamphlet on the Pacific, by Frederick V. Field." I quote:

Vice President Wallace's pamphlet, Our Job in the Pacific, just published by the Institute of Pacific Relations, is a progressive and statesmanlike approach to problems of our foreign policy.



He says that there is a "free Asia" and a "subject Asia" or "colonial Asia." "It is to our advantage," Mr. Wallace says, "not to perpetuate this division but to see an orderly process of transition so that the area of free Asia will grow and the area of subject Asia continually diminish."

Then further Mr. Field says:

I have studied and compared these sections of the Wallace pamphlet with the chapter on national liberation in Asia in Earl Browder's *Teheran, Our Past in War and Peace*. Both stand for the most rapid reconstruction of the colonial system consistent with the maintenance of unity among the United Nations.

Mr. Browder, however, carries the analysis several steps beyond where the Vice President leaves off.

And finally in this review:

These two publications—

meaning Mr. Browder's and Mr. Wallace's—

mark an advance in the American thinking on the highly controversial problem of colonies.

Mr. WALLACE. I might say with regard to this, which was read from the *Daily Worker*, first, that I never read the *Daily Worker*; I couldn't have read this at this particular time even if somebody had called it to my attention.

Mr. MORRIS. You say you could not have read it if someone had called it to your attention?

Mr. WALLACE. I couldn't have read it even if someone had called it to my attention because I wasn't in the country. Occasionally people have called my attention to something that is in the *Daily Worker*, but I have never read it myself, and they might have called this to my attention if I had been in the country, but it was not called to my attention. This is the first time I have heard it.

I might say that the indication is that Mr. Field was following the Wallace line and not Mr. Wallace following the Field line, because most of that is a direct quotation from the pamphlet itself.

Now it is not a new thing for the Communists to try to get aboard something and ride it for all they can. Anything which they may think is respectable they will get aboard and try to ride it if they can do so. So I attach nothing significant whatsoever to Mr. Field's effort.

Senator SMITH. You had not heard that before?

Mr. WALLACE. No.

Senator SMITH. Do you know whether Mr. Budenz at that time was editor of the *Daily Worker*?

Mr. WALLACE. Yes, Mr. Budenz was editor of the *Daily Worker* in 1944. I have discovered that in some of my recent researches.

Mr. SOURWINE. Mr. Wallace, there may be some confusion in the minds of those who will read this record between the question of the influence which the Institute of Pacific Relations had on this pamphlet and the influence which the Communists had on the pamphlet.

I should like to direct myself, without any statement or implication as to the relationship between those two questions, solely to the question of the influence of the Institute of Pacific Relations on this pamphlet.

Mr. WALLACE. I hope you will also ask what influence I had on the pamphlet.

Mr. SOURWINE. I think there are some loose ends hanging, sir.

Mr. WALLACE. Certainly.

Mr. SOURWINE. Cou'd Mrs. Lattimore have been the first person to contact you about this pamphlet?

Mr. WALLACE. Frankly I don't know. She is the first person I happened to remember, but I just don't know.

Mr. SOURWINE. I think you stated in executive session you could not say whether she was or whether she was not.

Mr. WALLACE. She was the first person I remember.

Mr. SOURWINE. She could have made the initial contact?

Mr. WALLACE. She could have.

Mr. SOURWINE. Had you known Mrs. Lattimore before the time she contacted you?

Mr. WALLACE. To the best of my recollection I did not. I might have met her socially.

Mr. SOURWINE. When she came to you initially in connection with this pamphlet, so far as you recall now, was the first time you had met her?

Mr. WALLACE. That would be my impression.

Mr. SOURWINE. Just when was it that you were asked by Mrs. Lattimore or someone else on behalf of the Institute of Pacific Relations to write this pamphlet?

Mr. WALLACE. I can't say the precise date, but I would say in late March or early April.

Mr. SOURWINE. Of 1944?

Mr. WALLACE. Of 1944.

Mr. SOURWINE. You gathered a substantial amount of statistics in connection with your portion of the pamphlet about the national income as it affects the amount of imports into the United States and exports from the United States to the Orient?

Mr. WALLACE. That is correct. That was not done through Mrs. Lattimore.

Mr. SOURWINE. No, sir; it is understood that was not, but I think you testified you did do considerable research in the work.

Mr. WALLACE. It was a field in which I personally was very much interested. You see, I have had the view for many years, ever since 1909, in fact, that eventually the west coast would have as great a significance for this Nation as the east coast. I gained that in talking with a Mr. Beard, of the Sacramento Bee, who had served on the Country Life Commission with my grandfather in 1908.

I traveled through the West, and in talking with Mr. Beard he let his imagination loose as to what would have happened if the Pilgrim Fathers had landed on the west coast. I have always believed that the west coast will have as great a significance to this Nation as the east coast.

I had studied the figures very carefully as to the mounting percentage of our imports coming from the Far East and the possibility of our exports to the Far East mounting through the west coast ports, and entering into the rate of growth would be the volume of our capital exports because obviously the United States would be the only country that could furnish the volume of capital exports that would get this area of the world really clicking in a way it should click.

So that and the discussion of agriculture I very much wanted to get across in this pamphlet in the most vigorous way possible.



Mr. SOURWINE. You have expressed in this pamphlet your theories about the west coast and its probable ascendancy over the east coast?

Mr. WALLACE. No, I don't put it that way.

Mr. SOURWINE. Since it is entirely collateral to this discussion, may I go on just a minute? I was only interested in the question of the fact.

Mr. WALLACE. I am not saying ascendancy; I am saying equally important.

Mr. SOURWINE. But that question which you have now discussed—

Mr. WALLACE. Was a little bit to one side.

Mr. SOURWINE. Is not contained in the pamphlet.

Mr. WALLACE. I don't believe so. It was in my motivation. I guess you don't care to discuss motivation.

Mr. SOURWINE. I have no objection, but at the moment I should like to go ahead with these questions which I believe can be answered rather quickly.

It took you how long, would you say, to gather these statistics that you used in this pamphlet?

Mr. WALLACE. I would say roughly 2 or 3 weeks.

Mr. SOURWINE. Can you tell us how long it took you to dictate the pamphlet to Mrs. Lattimore?

Mr. WALLACE. No. I was with her I would guess four different times.

Mr. SOURWINE. About four times?

Mr. WALLACE. I don't know. It is a guess.

Mr. SOURWINE. She came to see you on four different occasions?

Mr. WALLACE. I would say roughly. Of course when you are under oath you get a little cautious about precise numbers.

Mr. SOURWINE. That is right, and all we want is your best recollection. Was it a full day's session each time or a half-day or afternoon?

Mr. WALLACE. I would say roughly 2 or 3 hours would be my guess.

Mr. SOURWINE. Two or three hours at a session?

Mr. WALLACE. Yes.

Mr. SOURWINE. So you had 8 to 12 hours of dictation to her approximately?

Mr. WALLACE. That would be my rough recollection.

Mr. SOURWINE. Over what period of time did you dictate to her? Was it all consecutive, day after day?

Mr. WALLACE. No.

Mr. SOURWINE. Did she come once or twice a week?

Mr. WALLACE. I don't remember. It was strung throughout the month of April, it would be my recollection, and early May.

Mr. SOURWINE. Now, there is a slight conflict in your testimony here and your testimony in the executive session with regard to the matter of whether Mrs. Lattimore took down what you said, and with the permission of the chairman I should like to read about a quarter of a page from the executive session testimony and ask the witness to comment upon it.

Mr. MORRIS. Do you have the original manuscript, the original draft of your dictation on this, by any chance, Mr. Wallace?

Mr. WALLACE. I do not. I am positive I don't have.

Mr. MORRIS. You do not remember to whom you dictated it first?

Mr. WALLACE. To Mrs. Lattimore.

Mr. MORRIS. She took it down?

Mr. WALLACE. Yes.

That is on pages 21 and 22.

Would you comment on that testimony?

Mr. WALLACE. That is accurate.

Mr. SOURWINE. By "she took it down" you do not mean she took it down verbatim, that she took down verbatim what you dictated?

Mr. WALLACE. No.

Mr. SOURWINE. She was simply making notes with regard to what you had told her your views were?

Mr. WALLACE. That is right.

Mr. SOURWINE. Your testimony today makes it clear that that was what you intended.

Mr. WALLACE. Yes.

Mr. SOURWINE. Now, sir, did Mrs. Lattimore thereafter produce in draft form a draft comprising her expansion of what you had given her as the ideas you wanted to go in the pamphlet?

Mr. WALLACE. That is correct.

Mr. SOURWINE. Can you recall when she gave that to you, sir?

Mr. WALLACE. No. I would say it finally was finished up along, I would think, about the 10th of May. That is very rough.

Mr. SOURWINE. Did you, sir, have her draft for your examination before this thing went into proof?

Mr. WALLACE. It is my recollection that it was in manuscript form. It might possibly have been in proof form, but I would think it was in manuscript form because the time factor was very close, and it was not finally published until after I had gone on my trip.

Mr. SOURWINE. There was only one draft then, probably in manuscript, but either in manuscript or in proof?

Mr. WALLACE. That is right. I wouldn't say one draft. Maybe there was a carbon copy. I don't know as to that.

Mr. SOURWINE. I do not mean that. Carbons would still be the same draft. I do not want to quibble with you. I am trying to find out whether it is possible you saw both a draft and a proof. I believe you established at the executive session that you saw only one and you thought it was a manuscript draft.

Mr. WALLACE. I think it was a manuscript draft.

Mr. SOURWINE. You did not see both the manuscript and the proof?

Mr. WALLACE. I can't say positively on that.

Mr. SOURWINE. You remember only one?

Mr. WALLACE. I just don't know. It was one or the other or both. I think we will have to leave it that way.

Mr. SOURWINE. That was submitted to you about the 10th of May?

Mr. WALLACE. Shortly before I left is all I can say.

Mr. SOURWINE. When did you leave?

Mr. WALLACE. On May 20.

Mr. SOURWINE. Now how long did it take you to go over that draft after it was submitted to you, Mr. Wallace?

Mr. WALLACE. I don't know. I have no idea.

Mr. SOURWINE. Did it take you a matter of weeks?

Mr. WALLACE. Obviously not.



Mr. SOURWINE. Did it take you a matter of days?

Mr. WALLACE. My guess is that I spent an evening or two evenings on it; that is the way I usually do that kind of thing. That is all I can say. That is my ordinary custom.

Mr. SOURWINE. Did you make extensive changes in it?

Mr. WALLACE. I don't remember.

Mr. SOURWINE. Do you remember any changes you made?

Mr. WALLACE. I don't remember.

Mr. SOURWINE. Can you say whether you did make any changes?

Mr. WALLACE. I can't say "yes" or "no." I just don't remember.

Mr. SOURWINE. You cannot say you did not make any?

Mr. WALLACE. I can't say I made any.

Mr. SOURWINE. In other words, it is possible that you made no changes in the draft which was submitted to you?

Mr. WALLACE. It is possible I did not.

Mr. SOURWINE. So it is possible that beginning with your dictation over a period of 8 to 12 hours to Mrs. Lattimore of the ideas which you wanted expressed in this, she subsequently returned with a draft on which you spent an evening, and in which you may not—

Mr. WALLACE. An evening or two. I just have no recollection of it. I am simply reconstituting this as best as I can from my habits, not from positive recollection. I almost invariably do make changes in this kind of thing—almost invariably do.

I would say on this occasion I did. After 7 years you cannot swear positively as to just exactly what you did.

Mr. SOURWINE. Could it have been Mr. Owen Lattimore who first asked you to do this pamphlet for the institute?

Mr. WALLACE. I really don't know.

Mr. SOURWINE. In other words, it could have been?

Mr. WALLACE. It could have been; I don't know.

Mr. SOURWINE. Did you know anyone else in the Institute of Pacific Relations besides Mr. and Mrs. Lattimore?

Mr. WALLACE. The only other person I remember knowing was Edward C. Carter, whom I had known since 1929.

Mr. SOURWINE. Was it Mr. Carter who asked you to do this work?

Mr. WALLACE. I don't think so. He might have instigated it because he did know me, and I think he had a respect for my agricultural interest in the Far East.

Mr. SOURWINE. You said you had not known Mrs. Lattimore before she came to you with regard to this pamphlet?

Mr. WALLACE. I don't think I had met her.

Mr. SOURWINE. Had you known Mr. Lattimore before then?

Mr. WALLACE. I had met him once just before he went as adviser to Chiang Kai-shek. So far as I know, that is the only time I met him.

Mr. SOURWINE. That covers the point I wanted in the record, Mr. Chairman.

Mr. MORRIS. Mr. Wallace, can you recall where these evening sessions took place?

Mr. WALLACE. I said I must have read it over—no, as far as I can recollect the meetings with Mrs. Lattimore were in my office here in the Senate Office Building or over in the office in the Capitol. I don't remember specifically which. Mrs. Lattimore was not with me when I read over the manuscript, as nearly as I can remember.

Mr. MORRIS. Mr. Chairman, that is all we have on the question of the booklet.

Mr. Wallace, you have been a member of the board of trustees of the Institute of Pacific Relations?

Mr. WALLACE. I was so informed. I have never checked this for myself. I have never attended any board meeting. I was informed by Alfred Kohlberg. He had written me in August 1950, that I had been a trustee of the Board of the Institute of Pacific Relations for at least 2 years.

In 1950, when he wrote me, I had no recollection of it whatsoever and wrote him to that effect I had none. He said I had been in 1946 and one other year. I suppose in that case it might have been 1945, and probably they asked me to go on as a result of the trip to Asia.

I do know that a list of the board of trustees in 1947 shows I was not a member, and apparently when I retired from the Cabinet they felt I was no longer of service to them and dropped me from membership at that time. I never attended any meeting of the trustees of the institute.

Mr. MORRIS. Mr. Chairman, purely for the purpose of the record, I would like to introduce a photostatic copy of the list of the board of trustees of the Institute of Pacific Relations for the year 1946, which shows, among many others, Henry A. Wallace under the heading "Board of Trustees."

Senator SMITH. All right.

(The document referred to was marked "Exhibit No. 337" and is as follows:)

#### EXHIBIT No. 337

#### AMERICAN COUNCIL INSTITUTE OF PACIFIC RELATIONS

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Mr. WALLACE. May I add many other respectable names.

Mr. MORRIS. Mr. Wallace, have you written a book entitled "Soviet Asia Mission"?

Mr. WALLACE. I have.

Mr. MORRIS. Will you address yourself to the author's note? Will you read that for us, please?

Mr. WALLACE (reading):

In acknowledgement of invaluable assistance in preparing the manuscript of Soviet Asia Mission, my sincere thanks are extended to: John Hazard, Owen Lattimore, and Capt. Kenneth Knowles for intimate observations of life in east Asia today; Joseph Barnes, Harriet Moore, Albert Rhys Williams, Dr. Tredwell Smith, and Myra Jordan for reading the text and offering editorial suggestions; and to Andrew J. Steiger, who compiled the book from the diary I wrote during the trip and from the other factual material supplied him by me.

HENRY A. WALLACE.

Mr. MORRIS. Is your testimony that the people named in this author's note did aid in the preparation of this book?

Mr. WALLACE. All I know is what Steiger told me. I did not take the manuscript to any of these people myself. Steiger took it.

Mr. MORRIS. Do you know, Mr. Wallace, there is testimony before this committee that four of the people so named there are Communists?

Mr. WALLACE. You have so stated. I did not so know.

Mr. MORRIS. Do you wish to make any observation one way or the other on that?

Mr. WALLACE. I merely say I myself did not come in contact with these people and did not know three of these people; had never met them, and to the best of my knowledge still have never met them.

Senator SMITH. Is that sworn testimony?

Mr. MORRIS. Yes, before this committee.

Senator SMITH. It did not come by way of letters?

Mr. MORRIS. That is sworn testimony before the committee.

Mr. Wallace, therefore, is it your testimony that this author's note is not your own testimony, but it is what Andrew J. Steiger told you about the preparation of this book?

Mr. WALLACE. That is correct. Andrew J. Steiger got the information for this book—you will note that the foreword says "with the collaboration of Andrew J. Steiger."

The part of this book I wrote in its entirety has to do with agriculture.

Mr. MORRIS. Other than that, everything in the book was written by Mr. Steiger?

Mr. WALLACE. I wrote, I think, a part of the introductory notes and one or two other spots, but the part that I remember I did write in its entirety has to do with agriculture.

Steiger for the rest not merely relied on the notes that I furnished him, but also used notes that he could get from other people on the trip and anybody else that he felt was an expert in this field. It was in that connection apparently he had gone to these various people and got them to read the manuscript to find if this was accurate or that was accurate.

I did not take the manuscript to any of these people myself.

Mr. MORRIS. Why did you select Andrew J. Steiger to prepare a book that was going to be published in your name?

Mr. WALLACE. Andrew J. Steiger came to me as a newspaperman and a broadcaster who had lived for some years in the Soviet Union as a correspondent for certain of the American press, and I don't remember now. I looked him up to this degree: to find who his antecedents had been, and they were Americans for some generations, and that he had been raised in the Lutheran Church, and I think had been with either the Evangelical or Lutheran Evangelical Church.

He seemed to be a man of deep religious convictions and felt that bringing out my observations on this trip across the Soviet Union would further the friendly relationship between the United States and Russia.

I felt very strongly on that subject myself, that everything possible should be done to cultivate the friendly attitude in the postwar period, and agreed with him that something of the sort would be helpful.

I don't just know when he came to see me. It was probably in late 1944 or early 1945.

Mr. MORRIS. Did anyone recommend him to you?

Mr. WALLACE. Yes. It was a newspaper publisher who recommended him to me.

Mr. MORRIS. Who was that?

Mr. WALLACE. I again hate to embarrass anybody, but the newspaper publisher who did recommend him to me was a Mr. Charles Marsh, who publishes a number of papers in the South. Mr. Charles Marsh had called my attention to a book by Steiger. This was prior to my trip; that Mr. Steiger had written a book with regard to the growth of industry in the Soviet Asia in collaboration with somebody else, whose name I have forgotten.

As I remember it, he gave me a copy of this book.

Mr. MORRIS. You don't know the name of that book?

Mr. WALLACE. No. It can readily be ascertained. It dealt with the rapid expansion of population and industry and agriculture. I have not read it since 1944.

After I returned, this newspaperman said—

I have gotten in touch with this man who wrote that book about the Soviet Asia, and he would like very much to take any notes that you may have and bring history up to date.

So, it rather embarrassed me. As I said in executive session, the first draft of this which must have been gotten together sometime in early 1945 was altogether unacceptable to the publisher and was unacceptable to me because it was bad English.

It was not because of any particular bias one way or the other. That is from my point of view, because I was for cultivating the maximum friendly relations with Russia at that time, very strongly for it.

So, he did the job over again. He put a great deal of time on it.



As I stated in executive session, it is my recollection I turned over to him any royalties that had come from the book because he had done practically all the work on it.

Mr. MORRIS. In your check of Andrew J. Steiger, did you discover that he had written for the Daily Worker?

Mr. WALLACE. No.

Mr. MORRIS. Mr. Chairman, I think it would be appropriate if we put an article by Andrew J. Steiger appearing in the Daily Worker in the record, preceding the time of this incident we are taking testimony on now. Would you accept into the record an item entitled "May Day at Magnitogorsk"—and it is dated April 28, 1934, page 11, of the Daily Worker?

Senator SMITH. For the purpose of identifying what?

Mr. MORRIS. Mr. Wallace has testified he made a check of the qualifications of Andrew J. Steiger to prepare a book in Mr. Wallace's name.

I asked Mr. Wallace if in making that check he had known that Andrew J. Steiger had written for the Daily Worker. Mr. Wallace said he did not.

I think it is appropriate that that article should go into the record at this time.

Mr. SOURWINE. To establish you were not asking a question about a fact that was nonexistent.

Mr. MORRIS. That is right.

Senator SMITH. Not for the purpose of connecting Mr. Wallace with this particular article.

Mr. MORRIS. To bear on the pertinency of my question.

Senator SMITH. That is all right.

(Document referred to was marked "Exhibit No. 338" and is as follows:)

#### EXHIBIT No. 338

[From the Daily Worker, New York, April 28, 1934]

#### MAY DAY AT MAGNITOGORSK

(By Andrew J. Steiger)

Magnitogorsk in bold relief is charted by a mountain, a blast furnace, and workers. A metallurgist could estimate the quality of magnetic ore in its mountain; an engineer would evaluate the technical excellence of the blast furnace, which is smelting the mountain of ore; but a visiting traveler singles out the workers, the builders and operators of the ore crushers, blast furnaces, rolling mill, railroad yards, coke plant, and socialist city. This is especially true if one visits Magnitogorsk on May Day, the international holiday of labor.

#### TRIUMPHANT EVENING

The celebration of May Day begins the evening before May 1, a time of sober reflections, exchange of compliments, awarding of honors for work well done. By 9 p. m. the workers of Magnitogorsk are gathered in the circular auditorium of the circus. Lusty voiced young pioneers, on one side of the circus ring, sing out the Song of the Drummer. The baritone voices of German foreign workers, standing with upraised fist, answer them from the opposite side, singing the Rote Front. Speeches begin, but somehow, content is unimportant; while the ceremony of the celebration impresses the workers and engrosses the visitors. Representatives of the Society of Old Bolsheviks present a banner to the Magitogorsk group of young Communists (Komsomols).

Comrade Sverdlova tells the Komsomols: "We cannot build slowly and easily in the present day; we must build quickly, insanely fast. The deepening crises



abroad, the threat of war, the quickened tempo of life, all demand that we work speedily and create that which will counteract the dangers around us."

This fighter of the old generation of Bolsheviks challenges the eager youngsters of the new.

Fadeev, leader of the local branch of the Young Communist League, responds, "In our ranks," he says, "there is not one member who has failed to fulfill his duties. All have gone over the work norms set up for them in the production plan. The lowest percentage we have made is 123 percent and the highest is 190 percent. The brigade of Komsomols working on the excavator are the best workers in the plant. Our members have done exemplary work in mastering new knowledge and getting familiar with the new technique."

The banner to be presented to the Komsomols bears a quotation from Lenin, the slogan, "Learn to build; in building, learn."

#### AN OLD BOLSHEVIK SPEAKS

Koksovaret, a whiskered warrior of the old generation, presents the banner. With ardent fervor, he exclaims: "As I rode across the vacant steppe toward Magnitogorsk and passed the ridge of the mountain, from where the smoking forest of your furnace chimneys hove into view spreading over the rolling plain, I was filled with ecstasy. This city of 250,000 persons, this expanse of mills, factories, furnaces, have all appeared since I was last here in 1928: when, with other Bolshevik planners, I looked across a naked plain sloping away to the west from an ore-ridged mountain. I thought of how governments built fortresses to secure political fortunes, and of how we have built here an immense industrial stronghold, ribbed by iron mountains, surrounded by treeless steppe. But, the work of building is nearly over, now; as patrons of Magnitogorsk Kombinat, we we must set new tasks for you. You now face the job of maintaining pig iron production in the front ranks of world producers."

The ceremonial part of the celebration was concluded by Mueshkov, head of Magnitogorsk Kombinat, who said:

"All the duties set us by the Society of Bolshevik Veterans will be unconditionally fulfilled. Although our plan this year was larger than in 1931, we fulfilled it 106 percent by April. We now bend every effort to complete the rolling mill so that we may turn the pig iron into rails and other fabricated steel products. We plan to make many products now imported from abroad."

The ceremony of the giving of the banner is brief. The workers are awarded for a task well done, the completion of the construction of a steel plant as large as the United States Steel Corporation's plants in Gary, Ind. Those workers who have built this giant of the 5-year plan, in the past 4 years now face a new period in their collective life, a period in which they will master the huge productive equipment which they have built.

Time slips by at 12 o'clock, a new day, May Day, begins with an artistic performance. A pageant is staged portraying the history of May Day in the growth of the working-class movements. It was a Red Day of struggle, sorrow, and oppression. In pantomime the players depict the arrest of workers who distribute leaflets advertising May Day celebrations, show the raids of police on May Day picnic outings of workers held in the forests, and the shooting of workers in a street demonstration. Such was the past, but not all. For the first May Day celebration at Magnitogorsk was held 4 years ago; not a long time since that day, when the pioneer workers gathered here to celebrate May Day on the empty steppe where they were to build this roaring giant. May Day at Magnitogorsk in 1933 is suggested by a triumphal procession of workers led by children, pioneers, and Komsomols. Youth takes the lead in this young Socialist city with its young blast furnace; youth celebrates the victory of the proletariat.

We file out the doors of the circus at 2:30 a. m., May 1. Clouds of smoke float over the city and the stars of a clear night are thinly veiled. The noise of gas exhausts and steam blowers is heard. An iridescent glow from molten metal, fired to a high temperature, lights up the outlines of the blast furnace. This child of technique, born in the womb of the 5-year plan, charges on day and night in the first flush of fiery youth, not stopping to rest or celebrate. The workers who attend it this night are paid double wages.

#### THE DEMONSTRATION

In no other country can one see peaceful parades of workers, marching men and women, where mere size, mere bulk of living bodies is so impressive. We, visitors, stand on the grandstand with the party leaders and the plant managers.



Along the unpaved road on the right hillside, a marching line comes swinging down, a line of people two and a half kilometers long. In the bright morning sunshine, they march and sing, men, women, children; pregnant women, women with babes in arms, youth; rarely does one see an old or crippled person.

All are young, with flushed and eager faces, with healthy, muscled bodies dressed in bright garments and sport costumes. They march in from the left across the center of the square. They come from all directions, along unpaved roads whose mud is hard-stamped by the pounding of many feet. They file by the grandstand in a line four abreast, in a steady stream for 1 hour and a quarter, a line of 90,000 persons, over one-half the population of Magnitogorsk, an assembly of the labor force which operates this great blast furnace, this mechanical tool for smelting one-third the pig iron cast in the Urals.

#### MANY GROUPS TAKE PART

Looking steadily into the moving stream of persons passing by in front of the grandstand, one sees banners flare up, sees the mass of people break down to individuals, till separate groups of workers are identified and hailed by those on the reviewing stand. The physical culturists in blue jerseys and dark trunks pass by with springing steps or pedaling bicycles. Next, the metal workers appear, those workers who are rushing the rolling-mill section to completion. A rousing cheer is raised for them. Then come the workers who built a dam more than a kilometer long and 10 meters high, taking only 465 days to do it or less by 3 months of the time given them to do it. The dam forms a lake 25 kilometers long; when building it, these men, working knee-deep in mud and water, and when the temperature went as low as 35 below zero, poured concrete into the dam foundations which had been heated by steam pressure.

A group of assemblers file past, the welders who, hanging onto icy scaffolds and facing a bitter winter wind that tore in from the open steppe, welded the joints for the blast furnace gas lines. Some of them had slipped off and did not march today; they were killed outright on the scrap iron cluttered about the construction. Another one of those absent today had fallen off the scaffold unnoticed by the night shift and froze to death before aid reached him in the morning. The section hands file past, builders of railroads and in their midst are the Mongolian, oval faces of the Khirghizes, nomads of the steppes of the Urals, and of Kazakstan, tribesmen of Ghenghis Khan who, caught in the enthusiasm of socialist construction, drifted to Magnitogorsk and now flow past in this demonstration of the power of the workers' government.

#### FOREIGN WORKERS MARCH

Here comes the American, German, Polish, Italian workers and specialists, who likewise were absorbed in the new fever of construction which goes on here and everywhere in the Soviet Union. The first-aid ambulance goes by, representatives of medical science stamping out filth and vermin, the breeders of typhus, that dread disease which raked the population of the Socialist city. Although there is a circus here also, with camels and band wagons, the children are not following it. The children are ahead, they lead the parade, they form perhaps one-third of all those marching, they come from nurseries, kindergartens, 7-year schools, factory-workshop schools, Technikums, etc.

Going by the grandstand, they proudly lift their banners, on which are inscribed their school records, exhibited for the inspection of Comrade Tarakanova of the city committee of the Communist Party. He shouts from the grandstand, "be prepared." A roar of strident voices from the marching line answers back, "Always ready."

Watching this demonstration, which lacks all suggestion of cheap exhibitionism, with ears tuned to the strains of brass bands and the steady beat of marching feet, one catches notes struck off the holiday key. A locomotive whistles on the mountain to the left; a trainload of crushed ore is ready to descend to the blast furnace. The ore crushers rumble faintly in the distance; they dig into the mountain of magnetic ore estimated to last for 40 to 70 years. The blowing of gas pipes and the signals of the skip hoist mingle with the beat of marching workers' feet. The blast furnace, a colt in years, is snorting and blowing, charging into the mountain of ore; it has a generation to smelt it down to pig iron and fabricated steel. One feels the throb of tremendous forces let loose on this prairielike parade ground. The ore will be smelted by the power of the toiling masses who march by in this seemingly inexhaustible stream of humanity.



## WORLD PROLETARIAT

On the evening of May 1 the foreign workers and specialists gather with Russian comrades to celebrate International May Day. They gather in a large banquet hall, where pickled fish and cold meats are spread out beside bottles of beers and light wines. The evening is one of noise making; yet, withal, a few speeches are made and heard. An Italian specialist speaks in Italian. Although none could understand more than two words of what he said, these two words were enough to understand what he meant. He denounced the "fasciato" fiercely and pleaded for the "proletariata." When the speech was translated into English and German and Russian all were reassured that the ideas of fascism and communism are sufficiently opposed and international to have meanings above barriers of language and country.

A German worker speaks, an American, a Russian, all give a toast to International May Day and wish long life to the world proletariat. They point out that workers abroad were not free to celebrate as we do today; that the working class there is still under the heel of capitalism; while here, the proletariat is creating a new society, a new industrial order. Notes of warning are struck off. Wreckers had been discovered amidst those engaged in socialist construction. They charged all to be on their guard against the enemy abroad and within the gates; to be vigilant against those who would destroy the creations of the proletariat. The banquet ends; the music strikes up; the guests dance in hilarious fun making.

## ON TO NEW YORK

Three of us go out into the cool night air. May 1 is over. It is 12 o'clock. We walk toward the glow of the blast furnace. A guard halts us. We are without passes. The Russian comrade speaks to the guard; we pass on. At the furnace, the gas exhausts thunder, deafening the ears. One cannot hear a human voice shouted within 3 inches of the ear. The molten stream of metal is pouring from the belly of the plugged giant, a stream of molten iron so hot it burns through steel columns, iron rails, concrete blocks; anything but fire clay it ignites and reduces to ashes. The furnace has been working all day, it does not sleep at night, nor do the guardians of the workers' land.

An official comes in. He lifts a telephone receiver and informs headquarters: "Today, May 1, the first shift poured 476 tons of pig iron and the second shift poured 625 tons." Over 1,000 tons of pig iron poured while the workers were on their holidays. While they rested and celebrated, the blast furnace was busy smelting, smelting a mountain of ore, and the OGPU watched how many tons it melted. We are dismissed. The blast furnace steams and smokes, blows and flames, gobbles up carloads of ore and pours out a stream of molten iron. When all four units are in operation it will melt in 1 year enough pig iron to lay a railroad track around the world or more track than existed in all Russia before the Revolution.

Mr. SOURWINE. Might this be a good place to revert just a moment to another matter which could be taken up, with Mr. Morris' permission?

If I may distract your attention from that, Mr. Wallace for—  
Mr. WALLACE. Yes; go right ahead.

Mr. SOURWINE. I want to give you the opportunity to comment upon one short excerpt of your executive testimony with respect to which there might be some confusion in the face of your testimony today, and ask you to comment on it.

In executive session Mr. Morris asked:

How is it that Eleanor Lattimore came into the picture?

Mr. WALLACE. I don't really know. She came to see me, I know. She must have been speaking for someone higher up in the institute, but who I don't know, saying what a fine thing it would be to come out with my general expression of views.

Then just a couple of questions after that, Mr. Wallace, I asked you:

Could it have been Mr. Wallace, that Mrs. Lattimore was the first person to contact you about this book on behalf of the Institute of Pacific Relations?



Mr. WALLACE. It could be.

Mr. SOURWINE. Had you known her before?

Mr. WALLACE. Yes.

That appears to be a conflict.

Mr. WALLACE. I don't know that I knew her before. I think there must have been an error because I couldn't have said "yes," and I couldn't have been positive. It is probable I didn't know her before.

Mr. SOURWINE. That should be pointed out.

Mr. WALLACE. I think that should be corrected.

Mr. MORRIS. I would also like to point out the pertinency of this book to the inquiries into the Institute of Pacific Relations.

The acknowledgment here mentions Owen Lattimore, Joseph Barnes, and Harriett Moore. That has already been read.

As a result of this trip, and this book is purportedly a report on that trip, Mr. Wallace, having become a member of the board of trustees of the Institute of Pacific Relations——

Mr. WALLACE. Did you say I became a member of the board of trustees as a result of this book?

Mr. MORRIS. As a result of the trip. Didn't you say, Mr. Wallace, that you supposed because of the fact you were taking this trip the institute had asked you to become a member of the board of trustees?

Mr. WALLACE. Yes; that is what I said. Possibly it is stating it a little too bluntly. Should we say because of my sudden emergence because of the trip I had begun to appear in their eyes as someone that would be good to have on the board of trustees.

I also testified in executive session, you may remember, that Edward Carter had asked me to go to a meeting of the institute in 1929 in Japan. So perhaps it was not exclusively as a result of the trip, because Edward Carter had felt that I was an appropriate person to be connected with the institute for a number of years, apparently.

It goes back as early as 1929.

Mr. MORRIS. Also, Mr. Chairman, Mr. Wallace, I would like to point out, has asked for this hearing today principally because of some testimony concerning the trip of which this book is a report.

Mr. WALLACE. However, this book is a report not of the section concerning which I asked to be heard. This book is a report of the trip through Soviet Asia and the part which has been brought up before this committee has to do with my trip in China. The book says very little about the trip to China.

Senator SMITH. Have you finished, Mr. Wallace?

Mr. WALLACE. I was making the point that I am not coming here as a result of what I am writing, what is written in this book on the mission to Soviet Asia. My appearance before the committee is because of certain statements that have been made with regard to my trip to China, not with regard to my trip to Soviet Asia.

Mr. MORRIS. I do not think your testimony restricted your trip to China. We are talking about the fact that there were Communists guiding you on your trip. I do not think the testimony restricted any part of the trip.

I think it referred to the whole trip.

Mr. WALLACE. I have not had the advantage of going over the testimony in detail. I had my counsel consult the record to get certain points, to get as much as they could in the short space of time available.

So I am not familiar with your full record.

MR. MORRIS. You purported to quote from the testimony of one of the witnesses concerning this trip.

MR. WALLACE. Yes. I got from the newspapers a certain amount of the testimony, but it seemed to have to do with China rather than with my trip to Soviet Asia.

That was the part I had.

SENATOR SMITH. Can we not have the understanding that if, upon further examination of the record, there is anything in there that Mr. Wallace wishes to testify about, that he will be given an opportunity to do so?

MR. MORRIS. Mr. Mandel, will you read certain portions of that book that we have decided to put into the record today?

MR. MANDEL. I read from Soviet Asia Mission, by Henry A. Wallace, published in 1946, page 117.

MR. WALLACE. On the front it is by Henry A. Wallace "with the collaboration of Andrew J. Steiger." That is the way it appears here, if you will notice.

MR. MANDEL. The portion reads:

The spirit and meaning of life in Siberia today is certainly not to be compared to that of the old exile days.

MR. MORRIS. What page is that?

MR. MANDEL. Page 117. [Reading:]

Before 1900 one foreign gentleman of respected nationality visited Siberia and returned to the Western World converted to the benefits of the Czarist system of exile. The political prisoners, he maintained, were a shiftless lot of vagabonds who, to avoid the righteous discipline of hard work, fled into the woods where they did nothing but rest. (Stalin escaped from exile seven times.) The Russians generally, this gentleman felt, were a lazy people without enough seichas in them. Even in the Siberian mines he found this true; the convicts loafed in chains. To his way of thinking Czarism was too soft in its treatment. The convicts should be forced to work harder. To be whipped was good for their erring souls, the reverend gentleman said. The people of Siberia today are a hearty, vigorous race, but not because they are whipped into submission. The only whip driving them is the necessity to master a vast new land. In the past all of Russia, not just the miserable convicts in Siberia, was beaten time and again as Stalin has never ceased saying, by its economic and political backwardness, by being 50 years behind the times. The need to catch up with the advanced industrial nations is the force behind the great stirring movement among all the people of today's Soviet Asia. Awareness of that need is what makes them work so hard. But they also know how to laugh and play and sing, as we learned during our leisure hours among them.

MR. WALLACE. Could I comment seriatim instead of having a lot of it piled up?

MR. MORRIS. Yes.

MR. WALLACE. I may say, so far as I know, this was written by Andrew Steiger. He was the one who used the phrase "seichas," continually. He used it in several places in the book. Just what precisely the translation of "seichas" is, I don't know. It is a very clear indication to me that Andrew Steiger wrote this as he did practically all of the book.

I may say, to me when I read the book over, as I read it over on the job in the Pacific that this reflected the situation as I saw it when I was there.

I may say that the book by Elinor Lipper, I have no doubt is substantially correct.



Incidentally, I may say the original book in German is a much fairer book, so far as I am concerned, than the translation into English. I have had that checked.

With regard to slave-labor camps in Magadan, she calls it Potemkin Village in the German, which is the correct name. She does not indicate anyway in which I could have known that there was slave labor at Magadan.

My object on the trip in conformity with the spirit indicated by Secretary Stimson was to promulgate the maximum of friendship and the maximum of war effort on the part of the Russians.

I was not going out of my way to find slave labor, even if I had thought there was slave labor there at that time. There was no evidence that I could see slave labor at Magadan where Elinor Lipper was. I do not question the accuracy of Elinor Lipper's testimony.

There is no question whatever but what the Russians did everything they could to impress the Vice President of the Nation which had helped them save their lives, as in fact, we had by our many billion dollars of lend-lease. They were going all out to impress me.

I don't know to what extent they saw that at every stage of the road there were people present who could convey this kind of impression, but they did wherever I was.

I visited experiment station after experiment station, and collective farm after collective farm. Always it created a favorable and a free impression that—well, Willkie testified in exactly the same way that they were a pioneer people just like the kind of people he had known in the Middle West back in the time of his boyhood; that Mike Cowles, who accompanied Wendell Willkie, testified they were a magnificent pioneer race.

So this statement of Andrew Steiger is not necessarily the exclusive possession as of 1944 of Communists. This attitude is not necessarily the exclusive possession of Communists because you know from talking with Willkie and Mike Cowles on their return that they had an attitude very similar to that.

MR. MORRIS. Who else was with them?

MR. WALLACE. Joe Barnes was with them. It may be Joe Barnes politically and utterly subverted Wendell Willkie. There is always that possibility. I don't think we ought to agree to that offhand.

MR. MORRIS. You made reference to Elinor Lipper's book. I would like to read into the record that portion of a book that relates to your trip to Magadan.

MR. WALLACE. I might say that after you introduce that, I would like to introduce into the record an article in the Catholic Digest that it printed in justice to me with regard to Elinor Lipper, the Catholic Digest of October. It is up at the farm. I would like to get it to you to introduce.

I see that I have a copy here. I can turn it over to the committee.

MR. MORRIS. Mr. Mandel, will you read the portions designated in that extract of the Lipper book?

MR. MANDEL. I read from a reprint from the Reader's Digest of June 1951 from an article entitled "Eleven Years in Soviet Prison Camps," a condensation from the book by Elinor Lipper. I read from pages 12 and 13:

No other visit ever aroused so much excitement as Henry Wallace's visit to Kolyma during the war. Some time before, a persistent rumor warmed the

souls of the freezing prisoners; in return for help in the war, the Soviet Union was going to cede Kolyma to the United States. Even the soberest and most reasonable of the prisoners conceded the possibility, and long discussions were held as to whether the prisoners would also be turned over to America. It was a typical prisoners' fairy tale, as absurd as it was tenacious. And it received a tremendous stimulus when news came of the impending visit of the American Vice President.

The NKVD carried off its job with flying colors—Mr. Wallace saw nothing at all of this frozen hell with its hundreds of thousands of the damned. In honor of Mr. Wallace the wooden watchtowers were razed in a single night. Every one of the thousand prisoners in the camp at the port of Magadan at the time owed Mr. Wallace a debt of gratitude. For it was owing to his visit that for the first and last time the prisoners had three successive holidays. During his stay, not a single prisoner was allowed to leave the camp.

This was not enough. Although the route for Mr. Wallace and his suite was carefully prepared in advance, there was still the possibility that by mischance the visitor would catch sight of the prisoners in the camp yard—which would not have been an edifying spectacle. Therefore, on orders from above, movies were shown to the prisoners from morning till night for 3 days. No prisoners went walking in the yard.

Then further, I read:

Mr. Wallace was also gratified to note the rich assortment of Russian merchandise in the shop windows of Magadan. He made a point of going into a store to examine the Russian products. But the citizenry of Magadan were even more amazed than Mr. Wallace at the Russian goods that appeared overnight in the shop windows, because for the past 2 years all the—strictly rationed—goods which could be bought had been of American origin.

Then further:

In his book *Soviet Asia Mission*, Mr. Wallace speaks with admiration of the mushroom growth of Magadan; he does not say—or does not know—that this city was built solely by prisoners working under inhuman conditions. He also admires the 350-mile Kolyma Road that runs from the port northward over the mountains; he does not say—or does not know—that tens of thousands of prisoners had given their lives in building it.

Mr. Wallace says that NKVD Camp Commander Ivan Nikishov "gambled about, enjoying the wonderful air immensely." It is too bad that Wallace never saw him "gambling about" on one of his drunken rages around the prison camps; raining filthy, savage language upon the heads of the exhausted starving prisoners; having them locked up in solitary confinement for no offense whatsoever.

Further:

In the party accompanying Mr. Wallace was Dr. Owen Lattimore, who represented the Office of War Information.

An article *New Road to Asia*, written by Dr. Lattimore, was published several months after his return in the *National Geographic Magazine* (December 1944). In it Dr. Lattimore says:

"Political oppression under the czars—

Mr. WALLACE. Could I interrupt to ask you if it is really pertinent to read that about Lattimore?

Mr. MORRIS. Yes, it is.

Senator SMITH. We will see in a minute.

Mr. MANDEL (reading):

"Political oppression under the czars was so harsh that the mildest liberals were often sent into distant exile. For this reason university professors, doctors, and scientists and intellectuals of all kinds were among the earliest exile prisoners of Siberia."

If Dr. Lattimore was really interested in political oppression, why did he not inspect the hundreds of camps in Kolyma where contemporary "pioneers of Siberia" are starving to death? Why did he not ask the present-day "intellectuals of all kinds" why they are being physically and mentally crushed in the gold mines of Kolyma? Nowhere on the face of the earth is there a country



like Kolyma, where the entire population is made up of victims of political oppression.

Senator SMITH. Who wrote that?

Mr. MANDEL. That is a condensation from a book by Elinor Lipper. We have the book. It is entitled "Eleven Years in Soviet Prison Camps."

Senator SMITH. She was an inmate?

Mr. MANDEL. Yes.

Senator SMITH. She wrote that after?

Mr. MANDEL. Yes.

Senator SMITH. After reading Mr. Wallace's book?

Mr. MANDEL. Yes. She is now in this country.

Senator SMITH. We are not going to charge her statements in there against Mr. Wallace, are we? What has that got to do with this particular inquiry?

Mr. MORRIS. Mr. Chairman, Mr. Wallace has asked to testify concerning the fact that Communists guided him on his trip through Asia and China. This is one episode in Mr. Wallace's trip through Asia. It bears on that point.

Senator SMITH. I was thinking that might be comparable to one of us being conducted through one of the Federal prison camps. Certainly the keepers of the prison would not show us the disagreeable things—those things they would not want us to see.

Mr. WALLACE. I think it is right to have this in the record, provided I am allowed to make a comment.

Senator SMITH. Certainly. I am trying to get the connection of her statement with this hearing.

Mr. WALLACE. I am glad to have it in the record.

Mr. MORRIS. I think we should have that last section more fully, the part about Mr. Lattimore.

Mr. MANDEL. I read from page 114 of the book, "Eleven Years in Soviet Prison Camps", by Elinor Lipper, entitled "Owen Lattimore's Report":

An article New Road to Asia, written by Dr. Lattimore, was published several months after his return in the National Geographic Magazine, December 1944, pages 641 to 676. If his report to the Office of War Information was in substance the same as this article, the Office could scarcely have profited by his work. Since it cannot be assumed that Lattimore is naturally a poor observer, he must on this trip have voluntarily refrained from making use of his talent for observation. Instead of telling us what he has seen, he hands out unexamined Soviet propaganda.

Mr. MORRIS. This, Mr. Chairman, bears on whether or not on this trip Mr. Wallace was subjected to Communist influence.

Senator SMITH. This woman is not sworn here. She had not been brought here to testify where she got this information.

Mr. MORRIS. This is a narrative of her experiences in the camp.

Senator SMITH. It is unsworn. If it is of any probative value at all, and I have not seen where it is—maybe it does have some relationship—should we not have the woman sworn rather than taking her unsupported statement?

Mr. MORRIS. We called her yesterday and asked if necessary would she be available for testimony. Actually the International Relief Committee now is taking her around the country. They have protested our calling her.

If you so direct, I will send a subpoena to her and have her come in.

Senator SMITH. They are going to take her around and show her the good parts.

If Mr. Wallace has no objection and wants to answer, he may.

Mr. MORRIS. If Mr. Wallace thinks it is necessary, we will have her come in.

Mr. WALLACE. I do not think it is necessary to have her come in. I do not question the accuracy of what she testified.

There is only one point and that was not read, the accuracy of which I would question. That is where she says I was deceived by certain of the people on a hog farm. I know something about hogs and I do not think Mrs. Lipper was there at the hog farm. I think she is a little bit outside her field of competence on that.

Aside from that I don't have any reason to doubt her testimony.

Senator SMITH. She is trying to hit you on your strong point.

Mr. WALLACE. The point I wanted to make was there was an article on page 44 of the Catholic Digest of last July which in the way it was handled indicated that I should have been able to see the evidence of slave labor at Magadan. It was essentially the same article that appeared in the Reader's Digest, but there was some caption that indicated I should have been able to see what was going on.

I went around out West to see Father Bussard who published the Catholic Digest at St. Paul and talked with him. I found him a very fine gentleman. He agreed to publish my statement and indicated that he himself had been at Buchenwald before World War came and it was all remarkably sanitary and fine and there was no way to tell at that time what it was later to be.

It was one of the German concentration camps. He was in complete sympathy with what I had said. This is what he printed on page 44 of the October issue of the Catholic Digest, headed, "Henry Wallace states the facts." [Reading:]

(The article, Wallace in Sovietland, in the July Catholic Digest, p. 46, implied that the slave-labor camps should have been recognized by the American party that visited it. This note from Mr. Wallace explains why it was not.—Ed.)

There was not the slightest evidence of a slave-labor camp at Magadan when I was there in May of 1944. Elinor Lipper is very careful to avoid saying that I saw or could have seen any evidence of a slave-labor camp. I am sure that the editors of the Catholic Digest could not have seen any evidence of a slave-labor camp if they had been in our party.

I went to Magadan on my way to China in 1944 because John Hazard, liaison officer of the Division of Soviet Supply in Lend-Lease, wanted to see how it was being handled. Hazard spoke Russian, and we went together to the warehouses and docks to see how the material was being handled. Undoubtedly the Russians went all out to make a favorable impression on the Vice President of the Nation which had supplied them with so many billions of dollars of vital goods in their hour of greatest need.

Owen Lattimore was not a member of my personal staff. He was selected and sent with us by Elmer Davis to represent the Office of War Information.

In those days, Roosevelt, not knowing whether the atom bomb would go off and not knowing whether the second front in France would be a success, was gravely concerned as to what would happen to our long-time, over-all strategy if Russo-Jap hostilities broke out before Germany was defeated. My purpose in visiting China via Soviet Asia in 1944 was to win the war against Germany and Japan and not to engage in espionage nor investigate slave-labor camps. It was not until long afterward that testimony began to pile up from those who had formerly been in these camps. It now seems to be clear that the Soviets treat political prisoners in a severer way than the czarist regime.

Mr. MORRIS. Have you any questions in connection with Mr. Wallace's trip, Mr. Sourwine?



Mr. SOURWINE. I have a few questions in connection with the trip. They do not have anything to do with Magadan.

How long before May 20 when you left did you know you were going to go?

Mr. WALLACE. I would say it would be early March that I learned that I was going to go.

Mr. SOURWINE. You knew you were going to go before you were approached with regard to this pamphlet?

Mr. WALLACE. Yes, definitely.

Mr. SOURWINE. You mentioned the name of Joe Barnes a moment ago and his presence with Mr. Willkie on his trip around the world.

I believe in executive session you testified that you had seen Mr. Barnes only two or three times between the time of his return from the Willkie trip and the time when he visited you just before you left on your trip.

Mr. WALLACE. That would be my recollection.

Mr. SOURWINE. Mr. Barnes was not a close friend of yours?

Mr. WALLACE. No.

Mr. SOURWINE. Can you tell us why Mr. Barnes visited you just before you left on your trip?

Mr. WALLACE. I don't remember. The only thing I remember about it was we spent our time talking about Alaska. That was because he had brought in the general who had constructed the Alcan Highway in Alaska. I have forgotten his name. The general had left with me the diary of the man who had built the telegraph line in 1866 or thereabouts across Alaska and also in Soviet Asia with the idea that they were going to get communications across that way instead of by the under-water cable that was a little later laid.

His contact with me at that time was with regard to Alaska, which he knew was a passion with me, that I felt it was vital we get Alaska filled up with people as fast as we could.

Mr. SOURWINE. Mr. Barnes' visit, then, did not have anything to do with your forthcoming mission?

Mr. WALLACE. No. I can't say that positively. I have no recollection of anything except Alaska with regard to him.

Mr. SOURWINE. You testified in executive session, did you not, that you saw Mr. Lattimore in connection with your China mission in April 1944?

Mr. WALLACE. Yes; I think I must have seen him in April 1944.

Mr. SOURWINE. At that time did you know he was going with you?

Mr. WALLACE. I don't know when I learned. I know very early in the game President Roosevelt suggested he was a great expert on that long boundary line and the way in which the tribes had operated back and forth across that line would likely affect the future peace of the world. He thought Lattimore was a great expert in that field. I am sure Roosevelt suggested Lattimore's coming with me, that he was the first. I am sure he was the first to suggest that Lattimore go with me.

Mr. SOURWINE. That was, you think, perhaps as early as April or before that time?

Mr. WALLACE. I would think it would be some time in April. It might have been in March. He was very keen about Lattimore going.

Mr. SOURWINE. Mr. Lattimore's contact with you in 1944, then, which you testified, was his first contact since 1941 and was a renewal in contemplation of the trip you were to make together?

Mr. WALLACE. Of course.

Mr. SOURWINE. Do you recall any other Institute of Pacific Relations people who came along to see you about that time?

Mr. WALLACE. I was not acquainted with the group aside from Edward Carter and one contact with Owen Lattimore, then the contact with Mrs. Lattimore.

I do not know that I could name any others I knew at that time.

Mr. SOURWINE. You knew Mrs. Lattimore was IPR, of course?

Mr. WALLACE. Yes.

Mr. SOURWINE. Did you know Mr. Lattimore was IPR?

Mr. WALLACE. I didn't think of him in that connection. I couldn't say positively I knew he was IPR at that time. It would seem to me in retrospect I ought to have known and possibly did know.

Mr. SOURWINE. Did you know Mr. Barnes was connected?

Mr. WALLACE. No, until you stated in executive session.

Mr. SOURWINE. It is your testimony now you do not recall any other persons who came to see you about that time whom you knew to be connected with the IPR?

Mr. WALLACE. No. I can't remember a single point.

Mr. MORRIS. Mr. Chairman, there are several other extracts I would like to have read at this time and one in particular I should like to have Mr. Wallace answer some questions on.

Senator SMITH. All right.

Mr. MANDEL. I read from page 142 of the same book, Soviet Asia Mission. These are excerpts from an address on June 15, 1944.

Preceding that, we find that it says in printing this talk the Soviet press noted that the audience followed it with rapt attention and greeted the concluding words with prolonged applause. The speech says, in part:

Under Marshal Stalin's wise leadership and inspired by the patriotic will to improve the life of the homeland the multinational Soviet peoples have shown that for them nothing is impossible. For a long time the world has known of their high morale and democratic aspirations. In your land you have cherished science, literature, and art, raising them to unrivaled heights, and the great men you respect belong to all humanity.

Mr. WALLACE. Please continue to read the next paragraph, if you will.

Mr. MANDEL (reading):

People everywhere in the world honor Mendeleyev, Machnikov, Pushkin, Leo Tolstoy, Glinka, Moussorgsky, Tschaikovsky.

I might say these are all non-Soviet writers and artists.

Mr. MORRIS. Mr. Mandel, will you identify the book from which you are reading?

Mr. MANDEL. I am reading from Soviet Asia Mission, by Henry A. Wallace and Andrew J. Steiger.

Mr. WALLACE. Page 142.

Mr. MANDEL. Yes.

I read now from page 147 of the same book.

ALMA-ATA, June 19 (Tass).—The Vice President of the United States of America released the following statement for publication in the press:

"On my departure from your hospitable country, I want to express my hearty thanks for the cordial reception shown me everywhere. I am especially grateful for the thoughtful courtesy shown by S. A. Goglidze, representing the Khabarovsk Territorial Executive Committee; by L. A. Malinin, representing the Novo-



Sibirsk *oblast* Executive Committee; by A. Z. Kobulov, representing the Uzbek Government, and by D. S. Chuvakhin and G. G. Dolbin, representing the Ministry for Foreign Affairs."

Mr. MORRIS. Will you read that part about the toast that Mr. Goglidze proposed?

Mr. MANDEL. Yes.

Mr. WALLACE. Shall we clean this up first?

Mr. MORRIS. Go ahead.

Mr. WALLACE. These are extracts from speeches I made with the object of cultivating the greatest possible friendship with the Russian people in order to get them to put forth the greatest magnitude of war effort. They had been pushed back so far in European Russia that it was especially important to strengthen the morale in Asiatic Russia.

I was going all out to do that in the kind of language which they understand, which is a very extravagant kind of language. That is exactly what I was doing here. I don't think there is any other comment necessary except it was completely in line, except what I thought was necessary for the war effort.

Senator FERGUSON. What was the date of that release?

Mr. WALLACE. The date of the release——

Mr. MANDEL. June 19, 1944.

Mr. WALLACE. Shall we go to the other one now?

Mr. MANDEL. On page 172 of the same book:

One night at dinner the Russian airman, Mazuruk, proposed a toast to the modernization of China. Goglidze immediately suggested a logical modification.

Mr. MORRIS. Will you identify who Goglidze is?

Mr. WALLACE. Mr. Goglidze was the head of the whole far-eastern area. He was a Georgian who was said to be a close friend of Stalin. I do not know that there is anything further to say about him except he was the top man in that part of the world.

Senator FERGUSON. A Communist?

Mr. WALLACE. I did not conduct an investigation.

Senator FERGUSON. You assumed that? I did not ask you whether you conducted an investigation.

Mr. WALLACE. I assumed everyone with me was a devoted Communist in the very highest graces with the Politburo.

Senator SMITH. That Georgian you were talking about was Georgia, Russia, and not Georgia south of Carolina.

Mr. WALLACE. Maybe for purposes of the record, if you do not object to these interpolations, that everybody designated by the Russian Foreign Office to come with me must have been not merely a Communist but a man whom they had double checked as being the very best kind of a person to send with me.

Senator FERGUSON. For propaganda purposes?

Mr. WALLACE. For all purposes. One for this, one for that and the other. That is to be expected.

When any man goes to any foreign nation you expect that.

Senator SMITH. Just like we would send good Democrats if we wanted to show off here to some stranger.

Mr. MANDEL (reading):

Goglidze immediately suggested a logical modification: "May China remain in the war." Without victory over Japanese militarism, China could hardly have the necessary freedom for modernization. At dinner, after our return from China, Goglidze offered a significant toast to "Owen Lattimore and John

Carter Vincent, American experts on China, on whom rests great responsibility for China's future.

Then, on the next page, 173, I read one more excerpt. The future of Japan was the topic of discussion which John Carter Vincent wants initiated.

"What should be done with Japan after the war?" he asked.

"The same as with Germany," one Russian present replied.

Senator FERGUSON. Mr. Wallace, do you consider this toast of sufficient importance that you must have made a memorandum of it at the time that it was made?

Mr. WALLACE. Yes.

I may say that insofar as I can find in my memorandum the word "significant" was not mine. It was Steiger's.

Senator FERGUSON. You approved the script, and outside the word "significant"—

Mr. WALLACE. They were not in my notes.

Senator FERGUSON. You were impressed at the time this Russian was proposing a toast?

Mr. WALLACE. I may say Goglidze made three or four other toasts, one to me, one to Roosevelt, and they went the rounds. It was one of those regular Russian situations where you toast everybody under the sun.

Senator FERGUSON. That is to enable you to consume the vodka?

Mr. WALLACE. I had begged off on that, I may say.

Mr. SOURWINE. In line with Senator Ferguson may I read two questions of the executive testimony and ask Mr. Wallace to reaffirm them here?

Senator FERGUSON. Yes.

Mr. SOURWINE. This episode had been discussed and Mr. Morris said to the witness: "Can you recall that episode?"

Mr. Wallace had stated:

I am sure this is taken directly. I am sure Goglidze gave just exactly that toast.

Mr. Morris said:

That quotation is from notes you gave Steiger?

Mr. WALLACE. It must have been.

Mr. MORRIS. Do you recall the episode?

Senator FERGUSON. It happened, did it not?

Mr. WALLACE. Yes; it happened.

Mr. WALLACE. That is all quite accurate. I did not put on the word "significant."

Senator FERGUSON. It impressed you this Russian Communist was toasting these two men in relation to their work?

Mr. WALLACE. As he did everybody else.

Senator FERGUSON. Why did you not then put in your book the other toasts?

Mr. WALLACE. Because I didn't know about this hearing.

Senator FERGUSON. Is that the only reason? Do you think if you thought there would have been a hearing here you would have put the other toasts in?

Mr. WALLACE. I think in all fairness—I would say the other toasts ought to have been put in. If it were going to be a documentary affair, the whole thing should have been included.



There were a vast number.

Incidentally, Goglidze did this very subversive thing. He toasted the reelection of Roosevelt. It was a terrible kind of thing to do, but he toasted his reelection.

Senator FERGUSON. I do think there is some significance to this particular toast. Here was a man in Russia that was toasting men in relation to their work in China. I am going to ask you whether or not he included in the toast that he proposed for you anything about your work in China?

Mr. WALLACE. I do not remember that he included about my work in China. I think his toast to me was: "May Mr. Wallace come to Moscow after the war."

I came back with, "May you come to Washington after the war."

Mr. MORRIS. Was that selection of the toast for the book your selection or Steiger's selection?

Mr. WALLACE. Steiger's. It was not my selection.

Mr. SOURWINE. May I offer, as we have before, a short quotation from the executive testimony?

Senator SMITH. Yes.

Mr. SOURWINE. The question was addressed to you, Mr. Wallace:

Did you transcribe in your notes the text of all the toasts, 20 or 30 toasts given that evening?

Mr. WALLACE. No.

You were selective about it and you put this one in your notes so it must have impressed you at the time as being of some significance?

Mr. WALLACE. It must have.

Mr. WALLACE. There were several other toasts I put into my notes.

Mr. MORRIS. You agree this was the significant one?

Mr. WALLACE. Steiger thought so.

Mr. MORRIS. Do you agree you also thought it was significant on the basis of what Mr. Sourwine just read?

Mr. WALLACE. That is neither here nor there because I have verified there were other toasts.

I wasn't positive at that time. There were other toasts.

Mr. MORRIS. Mr. Wallace, do you know what was meant by the expression "on whom rests great responsibility for China's future"?

Mr. WALLACE. I can't read his mind.

Mr. MORRIS. You do not know what he meant?

Mr. WALLACE. Of course not. Who knows what anybody means at one of these toasting affairs?

Mr. MORRIS. You testified that was a significant toast.

Mr. WALLACE. It is significant that Steiger selected it. That is the significant thing, and that he put the word "significant" in. I think that is significant. What it proves, I don't know.

Senator JENNER. I would like to have the executive hearings read on this whole thing about the toast, Mr. Chairman.

Senator SMITH. If you could tell at what hour of the evening these toasts were given, that might give some insight, too.

Senator JENNER. The first part you read, Mr. Sourwine.

Mr. WALLACE. I will venture to say I was the only one there that would remember.

Senator SMITH. Let him read that part.

Mr. SOURWINE. I read from page 40 of the executive hearings:

Mr. MORRIS. Mr. Wallace, there is just one point I would like to ask you about in this work. On page 172 you make reference here to a dinner at which Mr.

Goglidze, an intimate friend of Stalin, offered a significant toast to "Owen Lattimore and John Carter Vincent, American experts on China on whom rests great responsibility for China's future."

Can you recall that episode?

Mr. WALLACE. I am sure this is taken directly. I am sure that Goglidze gave just exactly that toast.

Mr. MORRIS. That quotation is from notes you gave Steiger?

Mr. WALLACE. It must have been.

Mr. MORRIS. Do you recall the episode itself?

Senator FERGUSON. It happened, did it not?

Mr. WALLACE. Yes; it happened.

Mr. MORRIS. Can you recall anything more about it?

Mr. WALLACE. As I remember it, we had been in China and we were trying to get back to the United States as fast as we could. We had to go through Soviet Asia to get back. The moment we touched Soviet Asia a Russian had to be aboard. They wouldn't allow an American plane to go across there without a Russian aboard. Also, they wanted to bid us farewell. They had accompanied us as we had gone across Soviet Asia. That is described here in this book.

Now we were leaving and this was a sort of farewell, bidding farewell, and Goglidze gave this toast.

Senator FERGUSON. Was he a friend of Lattimore and Vincent?

Mr. WALLACE. He was.

Senator EASTLAND. You do not know whether he was a prior friend?

Mr. WALLACE. That is not a complete transcript of what I said. The stenographer must have failed to take down part of what I said.

Senator FERGUSON. Do you want to add something?

Mr. WALLACE. Yes. I remember this quite clearly. Maybe you get it from an expression in the words, but I know you have the inference very strongly when you spoke that Vincent and/or Lattimore must have known Goglidze before. Maybe that appears subsequent in the testimony. I am not sure.

Senator FERGUSON. I think you told us that before.

Mr. WALLACE. I said no, I did not mean that he had known them before. There is no indication whatsoever that Goglidze had known them before. Perhaps that is covered later.

Mr. SOURWINE. Go ahead, sir.

Senator JENNER. Let him testify and we will go ahead with the record.

Mr. WALLACE. I just merely wanted to say there was no evidence whatsoever they were friends except insofar as when you travel in the same plane for some time you naturally engage in friendship as anyone would in the give-and-take conversation.

If you do not mind my continuing with this, I would say it was very natural. When I was going through Soviet Asia I was relying continuously on John Hazard, and paying no attention to either Owen Lattimore or John Carter Vincent. When I was going through China, going along the border—we came across Sinkiang—I was paying a great deal of attention to Owen Lattimore. I looked on him as an expert.

As we went further, it was John Carter Vincent.

As far as the Russians were concerned, Lattimore and John Carter Vincent were with me to handle Chinese matters. It was altogether appropriate I should look on them as Chinese experts.

Senator FERGUSON. As I understand it, there was no indication he had known them prior to the time that you met?

Mr. WALLACE. Yes.



Senator FERGUSON. Therefore, anything that he was saying about them was in prior knowledge, because nothing happened at the meeting which would indicate that he would use this language?

Mr. WALLACE. There is no indication whatever that either Lattimore or Vincent had known Goglidze prior to the time of my trip.

Senator SMITH. Mr. Sourwine, resume, if you will, please.

Mr. SOURWINE. Mr. Wallace was speaking:

Now we were leaving and this was a sort of farewell, bidding farewell, and Goglidze gave this toast.

Senator FERGUSON. Was he a friend of Lattimore and Vincent?

Mr. WALLACE. He was.

Senator EASTLAND. You do not know whether he was a prior friend?

Mr. WALLACE. It is possible.

Mr. WALLACE. Did I say that?

Senator JENNER. Let's hear the record, and then you can talk.

Mr. SOURWINE (reading):

Senator FERGUSON. Did he include you in the toast?

Mr. WALLACE. In all of these Russian dinners they give about 30 toasts. I am sure he must have given me a toast as well.

Senator FERGUSON. It appears that he joined these two in a significant toast. I wondered how he left you out of that significant one.

Mr. WALLACE. I can't say.

Senator FERGUSON. That indicated to me that he was a friend of theirs, that he had known them before.

Mr. WALLACE. The preceding part there, I am sure, is Steiger's phraseology, that is the introduction to that I am sure is Steiger's.

As I say, I didn't write any of this book except the agricultural part and a little of the introductory passages. So that while this, I am sure, took place as described, I suspect the whole truth would indicate there were many other toasts. I may not have mentioned them to Steiger, but I know this one took place.

Senator FERGUSON. I would like to ask one thing. This toast was "on whom rests great responsibility for China's future." What did Lattimore have to do with the future of China?

Mr. WALLACE. Let me tell you about Lattimore, so far as I could observe him on this trip. He was spending all his time in the plane sweating excessively, and he sweats very easily, and reading Chinese classics out of which occasionally he would read something, and when we were over ground we went over parts where he had walked on foot, he would tell us about that.

When there would be a museum he was always on hand with the archeologist.

He was looked on as a very great expert in the history of China and the relationship of the Chinese tribes with the Chinese agriculturalists. He may have been looked on by Goglidze as a man of far greater importance than he was on the trip. I don't know as to that, but Lattimore did speak a little Russian and Goglidze might have felt a little closer to Lattimore on that account.

I think probably you are reading more into that than is warranted.

Mr. MORRIS. You have to concede, Mr. Wallace, that Goglidze did consider him an important person?

Mr. WALLACE. This toast would indicate it.

Mr. MORRIS. And a person on whom rested the responsibility of China?

Mr. WALLACE. That may be what Goglidze believed, but Goglidze believed a lot of things, as Russians often do.

I do want to make this completely clear. I am not appearing here on behalf of any person or any organization or any party. I am not associated with any person or party or organization, and I have no intention of becoming associated with any. I think that ought to be very clear, that I am not here to defend anybody and I am not here to criticize anybody or any organization or party.

Senator SMITH. Mr. Wallace, at the time that toast was given you did not give it any particular significance?

Mr. WALLACE. I didn't; no. I don't know why Steiger picked it up out of my notes.

Senator JENNER. In the light of recent events, how would you interpret that toast, rather accurate or not?

Mr. WALLACE. So far as I know, Lattimore had no particular—I just don't know about recent developments. I haven't had the benefit of your hearings. I haven't asked for any in regard of me. I don't know what the hearings showed.

Mr. SOURWINE. Did you transcribe into your notes the text of all the toasts, 20 or 30 toasts, given that evening?

Mr. WALLACE. No.

Mr. SOURWINE. You were selective about it and you put this one in your notes, so it must have impressed you at the time as being of some significance?

Mr. WALLACE. It must have.

Mr. MORRIS. Mr. Wallace, in connection with our testimony here, the testimony of Mr. Budenz, you released a report you had given to President Roosevelt some time back.

Then he went on to another matter.

Mr. WALLACE. I think that is substantially accurate.

Mr. MORRIS. Mr. Chairman, shall we go on, or shall we have a break?

Senator SMITH. Let us go on for a while.

Mr. WALLACE. I would like to clean it up before lunch.

Mr. MORRIS. Mr. Wallace, did you make a report to President Roosevelt after you returned from this trip?

Mr. WALLACE. Yes. If you are starting on that, could I read this statement? This gives it more or less seriatim.

Mr. MORRIS. I would rather you answer the questions if the chairman will agree.

Senator SMITH. You can ask the question and if Mr. Wallace wants to put this in, he can.

Mr. WALLACE. I did receive some assurance from the chairman in regard to reading this statement.

Senator SMITH. He wants to ask some specific questions first.

Mr. WALLACE. I made a report face to face with President Roosevelt on July 10, 1944.

Mr. MORRIS. Did you make a prior report?

Mr. WALLACE. Yes; a cable prepared in Kunming in June 26, 1944, and flown over the Hump and then sent by cable from New Delhi on June 28, 1944, to President Roosevelt.

Mr. MORRIS. Were these classified reports?

Mr. WALLACE. The one that was sent by cable was classified simply because it had been sent over the air. I think it had top secret, or something like that, on the top. I did not get the text finally until sometime in August 1944.

That particular document I sent to President Truman. It has the date of the receipt and the various things at the top.

Mr. MORRIS. You say you sent that from Kunming?

Mr. WALLACE. That was prepared in Kunming and taken from Kunming—probably it was prepared in Kunming on the twenty-sixth and was sent from New Delhi on the 28th of June 1944.

Mr. MORRIS. Why did you send it from New Delhi and not from Kunming?

Mr. WALLACE. You could not.

Mr. MORRIS. Why?

Mr. WALLACE. You couldn't get it to the United States.

Mr. MORRIS. There was no transmission facility?

Mr. WALLACE. That was the Army's judgment as to the best way to get it.

Mr. MORRIS. So you say the Kunming cables were classified but the report to the President was not?



Mr. WALLACE. That was my own document. I would have been the one who would have classified it. I do not have any marking on it saying that it was classified. It was a confidential report. I had been sent as a Presidential emissary. I did look on it as a secret document. I did not actually mark it as such, although I was Vice President of the United States.

I was not doing that kind of thing. This was a very special report directly to President Roosevelt. I looked on it as a secret document. It was not released and apparently not sent by President Roosevelt to the State Department.

Mr. MORRIS. This was July 10?

Mr. WALLACE. Yes.

Mr. MORRIS. When did you first release it?

Mr. WALLACE. Senator O'Connor wrote me in December of 1949 asking for a copy of this. Apparently there had been some agitation going on about the report. I do not think he mentioned the agitation, but he just asked for it. I promptly mailed it to him in December 1949.

Then the agitation became stronger.

I think Senator Ferguson referred to a report which he understood was in the War Department. As a result the reporters called me and asked did I know anything about such a report. I said yes, I had sent such a report to Senator O'Connor and they could doubtless get it from him.

Then the report was published.

Mr. MORRIS. So it is your testimony that the report was made public for the first time in December 1949 when you released it?

Mr. WALLACE. It was not actually made public at that time. It was sent to Senator O'Connor at that time, in December 1949. I did make some comment when the white paper came out expressing surprise that my report was not included.

Mr. MORRIS. Where did you make that comment? Is there a record of that?

Mr. WALLACE. I don't know. I expressed it to some newspapermen. I think it was printed somewhere in the press rather inconspicuously.

Mr. MORRIS. Do you know of a publication called the Far East Spotlight, which is published by the Committee for Democratic Far Eastern Policy?

Mr. WALLACE. No.

Mr. MORRIS. Do you know the Committee for Democratic Far Eastern Policy?

Mr. WALLACE. No.

Mr. MORRIS. Mr. Chairman, we have introduced into the record a citation by the Attorney General showing that the Committee for Democratic Far Eastern Policy is a subversive organization and Far East Spotlight is the publication of that committee.

I would like to call Mr. Wallace's attention to a copy of this publication date July-September 1949. On page 5 of that publication, Mr. Wallace, there is an article by you in which you quote rather extensively from the report.

Mr. SOURWINE. Mr. Morris, that is an article which purports to be by Mr. Wallace as far as this record shows now. It has not been established as yet as by him.

Senator SMITH. Let Mr. Wallace see that.

Mr. WALLACE. I can say this: I don't remember ever preparing any article of this sort. Maybe some reporter came in and asked me the questions that are listed. These are the views I held in 1949.

Mr. MORRIS. You mean that is something done without your authorization?

Mr. WALLACE. It sounds to me like some reporter came in and asked me questions. That is what it sounds like.

Mr. MORRIS. It is what professes to be your by line.

Mr. WALLACE. It is put in the form of questions. "Question," and then "Mr. Wallace." It sounds like some reporter had either mailed in a series of questions or had come in for an interview and I had dictated it to him.

Mr. MORRIS. It could have been a Communist reporter?

Mr. WALLACE. I don't have the slightest idea.

Mr. MORRIS. You will note in your answer to the first question you quoted extensively from this report we have been discussing.

Mr. WALLACE. I quote a few sentences from it. I don't know whether this is before or after the white paper. Yes, it is after.

I had expressed already, I may say, somewhere in the press, the regret that the white paper had not included my report, and I think had substantially used these same sentences elsewhere.

Mr. MORRIS. You have testified you did not release this report until December 1949. This is a publication, a Communist publication, July-September 1949 and it quotes extracts from your report.

Mr. WALLACE. The extracts they quote are this:

Chiang, at best, is a short-term investment. It is not believed that he has the intelligence or political strength to run postwar China. The leaders of postwar China will be brought forward by evolution or revolution and it now seems more likely the latter.

That is the only quotation from the report. I think that I did give substantially this quotation elsewhere in the press. That is my recollection, that I think I expressed a question mark as to why the State Department had not included. That is the extent of the quotation.

I think you must admit it is not a very extensive quotation from my report.

Mr. MORRIS. It was made available to the Communist publication.

Mr. BALL. I would like to call attention that quotation is from the July 10 report which is the one Mr. Wallace made directly to the President and which he has testified he did not classify.

Mr. MORRIS. I think the record will show that. It has been clear all along.

Mr. WALLACE. Could I say this: To the best of my knowledge this is the first time I ever saw this publication; to the best of my knowledge I knew nothing about the antecedents of the man nor the organization that asked me those questions.

I can say this is the kind of thing I would be saying at this time if I were asked the questions.



Mr. MORRIS. You have written other articles for that publication?

Mr. WALLACE. Not that I know of. I have no awareness of it whatsoever. It is the first time I ever saw the publication.

Mr. MORRIS. There is the Spotlight for April 1948, Mr. Wallace. They print your statement there in its entirety.

Mr. WALLACE. I was never aware of writing for this publication. This publication to which you call my attention has a heading "The following statement was issued by Henry Wallace through the National Wallace for President Committee in New York on February 23, 1948." It is quite possible this other series of questions was prepared by somebody else and issued generally and only printed by this organization.

Mr. MORRIS. The Spotlight of December 1949, January 1950, on its masthead, lists you as a recent contributor.

Mr. WALLACE. I suppose they are referring to this; I don't know.

Mr. MORRIS. At least they considered it a contribution.

Mr. WALLACE. I don't know a thing about it.

Mr. MORRIS. I would like to have that masthead in the record.

Senator SMITH. Let Mr. Wallace examine it first.

Mr. WALLACE. Have you been able to find in going over the issues of the Spotlight as to whether there is any other communication that purports to be from me?

Mr. MORRIS. We will do that. The record will show the result.

Mr. WALLACE. I assume you must be referring back.

Mr. SOURWINE. Did you offer for the record that first volume of the Spotlight which you discussed?

Mr. WALLACE. Somebody offered it, I think.

Senator JENNER. It has not gone in.

Senator SMITH. You want this to go in also?

Mr. MORRIS. Yes.

Senator SMITH. All right, without objection they will be made part of the record.

(Documents referred to were marked as "Exhibits Nos. 339 and 340," and are as follows:)

#### EXHIBIT No. 339

#### WHAT NEXT IN ASIA?

(By Henry A. Wallace)

(The leader of the Progressive Party, who as Vice President of the United States headed a special mission sent to China by President Franklin D. Roosevelt in 1944, answers three questions by Spotlight. He evaluates the white paper, sketches future possibilities, and recommends democratic policy goals with regard to China and the rest of Asia.)

*Question.*—The State Department's white paper on China says repeatedly, in reports dating back to 1944, that the Chiang Kai-shek government has been corrupt and unwanted by the Chinese people. It also concedes that the Communists have brought "modern dynamic, popular government." Secretary of State Acheson's letter of presentation says "nonetheless we continued, for obvious reasons, to direct all aid to the Central (Chiang) Government" and intimates that future United States policy will be directed toward the overthrow of the new coalition government about to be formed in China. What accounts for this contradiction?



Mr. WALLACE. As long as the administration and the bipartisan leaders of our foreign policy are obsessed by hatred of Soviet Russia and determined to pursue the cold war they will always find themselves in the contradiction you point out. In the name of supporting and extending democracy, we have consistently supported antidemocratic governments. In the name of opposing interference in the internal affairs of nations, we have consistently interfered ourselves.

After I visited China in 1944, I reported to President Roosevelt: "Chiang, at best, is a short-term investment. It is not believed that he has the intelligence or political strength to run postwar China. The leaders of postwar China will be brought forward by evolution or revolution, and it now seems more likely the latter." Everyone who knew anything about China knew this.

Mr. Acheson admits that what has happened was inevitable because of the corruption, the backwardness, the reactionary nature of Chiang's regime.

The Chinese Communists are triumphing because they offer land reform and other basic social changes needed by the Chinese people. They would be winning even if the Soviet Union did not exist. To call their victory a victory for Soviet imperialism is of course typical of the incredible hypocrisy that pervades our national leadership today. As long as the bipartisan leaders identify all movements of social reform and change with Soviet foreign policy, we will find ourselves being allied with forces of reaction all over the world and we will incur the enmity of people everywhere.

*Question.*—Secretary Acheson's statement as to future policy in Asia indicates that the United States will back and arm a Pacific pact, including the remnants of the Chiang Kai-shek regime, as requested by Philippine President Quirino on his visit to Washington. Could such a pact succeed? Would it accord with the interests of the American people?

Mr. WALLACE. I certainly do not believe that a Pacific pact will succeed any more than the Atlantic pact will and I most emphatically believe both to be contrary to the interests of the American people. All the shipments of arms in the world won't give the people of Asia tools to cultivate their lands with, or food to feed their families with, or clothes to hide their nakedness. Yet tools, food, clothes are what the Asiatic peoples desperately need, not tanks and guns.

A Pacific pact is supposed to halt aggression and strengthen democracy. Actually, of course, it will weaken democracy. It will saddle the impoverished men and women of the Pacific with armaments programs they can ill afford. It will stimulate the real aggressor—poverty. It will thus increase discontent, which will in turn spur more arms shipments to the Pacific and divert more of Asia's resources to military use. It will thus engender a vicious circle that will defeat the very ends a Pacific pact is ostensibly supposed to gain.

If the administration really wanted to see Asia prosper—and wanted to serve the cause of international peace—it would immediately propose and back to the limit a world development fund to be administered by and through the United Nations, to build up the economies and industrial potential of the nations of Asia, and provide a huge market for American goods. It would cost a fraction of what we and other nations are spending on the arms race. It would serve the interests of the American people—and all the peoples of the world.

*Question.*—Do you think the United States should apply a blockade and economic boycott against the new China, as now seems certain? Or should it seek diplomatic and trade relations with it?

Mr. WALLACE. The only honorable and practical course first, is to establish normal diplomatic relations with the new government as soon as it is stabilized, and second, to enter into negotiations for trade as quickly as possible.

As I write this, there are over 5,000,000 unemployed in the United States. China offers a huge potential market for our goods—offers a trade that can mean jobs for American factory workers and maritime workers. West coast shipping would get out of the doldrums. It would be good business for us. And at the same time it would help stabilize conditions in China and make it less difficult to carry out economic and social reforms so badly needed by the Chinese people. The beneficial effects would be felt throughout the entire Far East.

A blockade and economic boycott, on the other hand, would be both criminal and stupid. It would create needless misery both in China and here at home, and would contribute immeasurably to the instability which the administration theoretically wants to end.



## EXHIBIT No. 340

## FAR EAST SPOTLIGHT

(A monthly report on United States policy and internal events in China, Japan, Korea, the Philippines, southeast Asia, and India)

December 1949, January 1950

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**Mr. WALLACE.** I may say at that time, and for sometime prior to this, I was very greatly concerned that the United States would become embroiled in war with China.

As a matter of fact, that went back for several years prior to this, that we would become embroiled in a war supporting the Chiang Kai-shek regime which I thought was on its way out and if we stepped in to support it, we would be in grave danger of getting into war with Soviet Russia.

I just did not want American boys to be spilling their blood in China. I went all out to prevent that. My reason for getting into the race in 1948, the Presidential race, was to do everything I could to bring the issue of peace to the foreground.

I looked on the Asian situation as full of dynamite. Since then the Forrestal diaries came out to give an indication of the atmosphere that we had lived in since the fall of 1945.

You will find in November of 1945 Forrestal refers to a communication from Wedemeyer in which he indicates that as early as that if we go all out for Chiang Kai-shek there is serious danger of war with Soviet Union and we should consider it, and whether or not our forces are adequate to warrant taking the risk.

That was the situation as described in the Forrestal diaries in November of 1945.

Of course, that situation became progressively worse as time went on. The possibility of supporting Chiang successfully became increasingly improbable.

When I took my action then I was not only concerned with the danger of the lives of American boys, I was also under the belief that it was altogether improbable that China and Russia could get together.

That was the belief in which I operated at that time.

**Mr. MORRIS.** Mr. Wallace, did anyone aid you in the preparation of your July 10 report?

Mr. WALLACE. I have no recollection of anybody aiding me in the preparation of the July 10 report.

Mr. MORRIS. So the whole report is your report?

Mr. WALLACE. That is my report.

Mr. MORRIS. What date did you issue that?

Mr. WALLACE. It was not issued; it was given to President Roosevelt face to face on July 10.

Mr. MORRIS. When did you arrive at Great Falls, Mont.?

Mr. WALLACE. I don't remember exactly; say along about the 7th of July; something like that.

Mr. MORRIS. Did you broadcast from Seattle on July 9?

Mr. WALLACE. I did.

Mr. MORRIS. Where were you on July 10?

Mr. WALLACE. I was in Washington.

Mr. MORRIS. When did you prepare the report, Mr. Wallace?

Mr. WALLACE. I prepared a considerable part of it at Great Falls. I don't say that from memory, but it would——

Mr. MORRIS. How long were you in Great Falls?

Mr. WALLACE. Two or three days, and then two or three days in Canada.

Mr. MORRIS. Did you arrive at Great Falls on July 8?

Mr. WALLACE. I don't remember the precise date. It is my recollection that I had several days in Canada and at Great Falls.

Mr. MORRIS. Do you remember making a speech in Seattle on July 9?

Mr. WALLACE. I do.

Mr. MORRIS. It is your testimony that you prepared the report sometime between your arrival in the country and——

Mr. WALLACE. I had been working on it for some time. I finished it up in Canada and in Great Falls.

Mr. MORRIS. When you say you had been working on it for some time, when were you working on it? While in the air?

Mr. WALLACE. Yes. There was a great deal of time in the air. I happened to know the Seattle speech was written at Krasnoyarsk because I ran across the handwritten copy of it the other day.

Mr. MORRIS. It is your testimony after your arrival in the United States——

Mr. WALLACE. That I polished the thing up at that time.

Mr. MORRIS. When did you prepare it?

Mr. WALLACE. I can't say, sir. Obviously, I was sent there as a Presidential emissary. It was the big moment of the trip, giving the President the report.

Undoubtedly I had been working on it for some time. I was polishing it up in Canada and at Great Falls, Mont.

Mr. MORRIS. Can you testify whether or not anyone aided you in preparing that?

Mr. WALLACE. To the best of my recollection I cannot testify that anybody aided me. I had a great variety of memoranda that had been submitted to me. The one who influenced me most was Ambassador Gauss.

Mr. SOURWINE. If I may break in, Mr. Morris, it may be that the line of questioning is too much with regard to conclusion, and not specific enough to do justice to the facts that you are trying to present to the committee.



Preparation, for instance, encompasses a great many things.

Is it a fair assumption that at some time or another portions of this report were written out by you in longhand?

Mr. WALLACE. I assume they might have been. I really don't know. I did run across this Krasnoyarsk thing in longhand or the Seattle thing, which was written at Krasnoyarsk.

I have gone through my records and I find nothing in longhand on this.

Mr. SOURWINE. I wasn't asking about your records; just your memory. Do you remember writing any of this report out in longhand?

Mr. WALLACE. I must have.

Mr. SOURWINE. Do you remember?

Mr. WALLACE. I don't know specifically. I was utterly surprised to see I had written the Seattle thing in longhand. If anybody asked me about that, I wouldn't have remembered it.

Mr. SOURWINE. Do you remember, Mr. Wallace, whether any of this report was written out on a typewriter?

Mr. WALLACE. I am sure it was.

Mr. SOURWINE. Did you write any of it out on a typewriter?

Mr. WALLACE. I think I did.

Mr. SOURWINE. Where did you write some of it out on a typewriter?

Mr. WALLACE. I don't know.

Mr. SOURWINE. Did you have access to a typewriter on the airplane coming across back to this country?

Mr. WALLACE. I didn't use a typewriter on the airplane myself.

Mr. SOURWINE. Did you have access?

Mr. WALLACE. I am not sure. There must have been a typewriter there.

Mr. SOURWINE. Do you know whether they did or did not have one?

Mr. WALLACE. I think so.

Mr. SOURWINE. Did you use it?

Mr. WALLACE. I don't remember.

Mr. SOURWINE. Did anyone else type any portions of this on a typewriter on the way back?

Mr. WALLACE. I don't know.

Mr. SOURWINE. Can you say no one did?

Mr. WALLACE. I can't answer.

Mr. SOURWINE. You mean someone might have typed it?

Mr. WALLACE. Yes.

Mr. SOURWINE. Do you know whether any of it was typed before you started back?

Mr. WALLACE. I would think it must have been.

Mr. SOURWINE. Do you know whether it was?

Mr. WALLACE. No.

Let me illustrate how difficult it is to remember specifically on a thing of this sort. There has been certain discussion as to what transpired at a Cabinet meeting back in September of 1945. I have called up one person who was there who certainly should remember it and can't even remember the incident at a very important Cabinet meeting. That illustrates what I mean. This is a man who is much younger than I. That illustrates how impossible it is to remember with accuracy, and how impossible it is to draw conclusions from

yesses or noes this way, that way, or the other way, no matter how the questions are answered.

Mr. SOURWINE. I am not attempting to draw conclusions, nor am I challenging your memory, sir. I am trying to assist it by asking questions you might recall.

Was there eventually a typewritten draft of this which you could and did go over?

Mr. WALLACE. I presented a typewritten copy to President Roosevelt. That is all I can say.

Mr. SOURWINE. Certainly you know whether you went over that typewritten copy before you presented it?

Mr. WALLACE. Of course, I did.

Mr. SOURWINE. Then there was at that time a typewritten draft which you went over?

Mr. WALLACE. Yes.

But you say "was there a typewriter on the plane."

Mr. SOURWINE. That was a previous question.

Mr. WALLACE. I say I assume there was a typewriter on the plane. Whether it was typewritten with a typewriter on the plane, or a typewriter that was at Great Falls, or a typewriter that was at Great Prairie, or at Edmonston, in Canada, or whether it was typewriter that was available some place else, I don't know.

Mr. SOURWINE. I am sure we can get a little further along on this. We have established there was a typewritten draft of the report which you went over before you presented it to the President?

Mr. WALLACE. Certainly.

Mr. SOURWINE. That was a clean copy?

Mr. WALLACE. Yes.

Mr. SOURWINE. You would not have presented one that was messed up or a rough draft?

Mr. WALLACE. No.

Mr. SOURWINE. Can you tell us where you got that clean copy?

Mr. WALLACE. No.

Mr. SOURWINE. Did you type it yourself?

Mr. WALLACE. No; I did not.

Mr. SOURWINE. Do you know who did type it?

Mr. WALLACE. That was too clean a typing job for me. No, I can't testify as to that. I don't know.

Mr. SOURWINE. Do you have any idea as to who might have typed it?

Mr. WALLACE. No.

Mr. SOURWINE. You mean that someone presented you with a clean draft of a message, a report you were going to give the President of the United States and you have not any idea where it came from?

Mr. WALLACE. That has happened perhaps 5,000 times in my Washington life.

Mr. SOURWINE. Mr. Wallace, do you recall whether there was any prior draft, a rough draft of any sort, of this report?

Mr. WALLACE. I can't say, sir.

Mr. SOURWINE. Do you recall ever having seen a prior draft of it?

Mr. WALLACE. I can't say.

Mr. MORRIS. Who was with you on the trip at that time, Mr. Wallace?



Mr. WALLACE. As I was saying, the people on the trip, and it was the same personnel throughout except inside excursions in China——

Mr. MORRIS. But the trip from Great Falls to——

Mr. WALLACE. The same people. You had John Hazard, Owen Lattimore, John Carter Vincent, and the members of the crew.

Senator FERGUSON. In other words, they left here and made the whole trip with you?

Mr. WALLACE. Yes, they made the whole trip.

Mr. MORRIS. I have no more questions on that.

Mr. SOURWINE. I have one or two more.

I don't mean to be unduly repetitious, but sometimes a memory will come back if you try to think about it. I am sure it must be as incredible to you as to us that you have no memory whatsoever of whether you saw a rough draft of the statement, or not.

Mr. WALLACE. I do not think it is incredible in the slightest, sir. I have been so active over so many years that with regard to a minor matter of this sort, I see nothing incredible about it.

I would say it would be remarkable if I did remember. If you were in a similar position—I judge you are about the same age as I—and you were testifying, you would find yourself in the same situation.

Mr. SOURWINE. I am sure I am not asking you to testify beyond your best recollection.

Mr. WALLACE. I can't; that is all.

Mr. SOURWINE. This report was handed to the President on what date?

Mr. WALLACE. On July 10, 1944.

Mr. SOURWINE. Have you any idea how long this report had been in preparation?

Mr. WALLACE. I really can't say that.

Mr. SOURWINE. Could it have been in preparation as long as 2 weeks?

Mr. WALLACE. I would say so.

Mr. SOURWINE. Could it have been in preparation as long as 3 weeks?

Mr. WALLACE. That is pure supposition.

Mr. SOURWINE. Could it, Mr. Wallace?

Mr. WALLACE. You would have to consult the dates.

Mr. SOURWINE. What dates do we have to consult?

Mr. WALLACE. The dates when I was in China. It could not have been in preparation longer than June 20.

Mr. SOURWINE. It could not have been in preparation longer than June 20?

Mr. WALLACE. That was, roughly, the day I arrived in China. I began taking notes when I arrived in China.

Mr. SOURWINE. You do remember the notes that you took. What did you do with the notes as you took them?

Mr. WALLACE. I can't say.

Mr. SOURWINE. Did you stuff them in a pocket, or hand them to somebody to put away? You kept your notes?

Mr. WALLACE. I did until I got this out of my system.

Mr. SOURWINE. Do you know where you kept them?

Mr. WALLACE. No.

Mr. SOURWINE. Did you have any particular place where you accumulated your notes?

Mr. WALLACE. I stuffed them away in a bag I had with me.

Mr. SOURWINE. Do you remember at any time ever taking them out of that bag?

Mr. WALLACE. I have no recollection at all.

Mr. SOURWINE. You must have taken them out if at some time you used them.

Mr. WALLACE. Sir, I just don't know. That is all I have to say. Your questions, no matter how they are phrased, will get no other answer, because I don't know.

Mr. SOURWINE. I believe you, sir, but pardon me if I keep trying. You will recognize that you must have taken the notes out of that bag at some time.

Mr. WALLACE. The answer to that is obvious.

Mr. SOURWINE. Obviously you did? Is that true?

Mr. WALLACE. I don't want to be impolite, sir. What are you really getting at? What are you trying to do?

Mr. SOURWINE. I am trying to find out if we cannot recapture one fragment of your memory with regard to when and under what circumstances you began the preparation of the first rough draft of this report from your notes.

Mr. WALLACE. I just don't know.

Mr. SOURWINE. I was trying to establish if you recognize the fact that you must have taken these accumulated notes out of the bag at some time and perhaps you could remember where or when?

Mr. WALLACE. I just don't know.

Senator SMITH. Is it not possible that his secretary might have taken them out? I have handed my bag to my secretary and then when I got back to the office I had things taken out.

Mr. SOURWINE. I was trying to avoid making suggestions as to possibilities.

Senator SMITH. That is understandable to me.

Mr. SOURWINE. Could it have been in preparation, this draft, all the time from the time that you got to China until you presented it to the President?

Mr. WALLACE. Obviously it would be continuously in preparation.

The final shaping up, I would say, just looking at the time factor, must have taken place in Canada and at Great Falls. That is not on the basis of memory, but on the basis of time.

This whole thing is simply logical reasoning back on the basis of time and not on the basis of memory.

Mr. SOURWINE. That is all I am trying to do, reason back.

Was it prepared subsequent to the Kunming cables, sir?

Mr. WALLACE. I would say that part of it must have been. It might have been that part of it was prepared at Kunming because I did have some time there.

Mr. SOURWINE. The Kunming cables, I think you have stated—and I do not want to go into this fully—but is it not true in connection with the Kunming cables you consulted with Vincent to some considerable extent?

Mr. WALLACE. Yes.

Could I get around to this statement pretty soon?

Mr. SOURWINE. Your statement shows you did.

Mr. WALLACE. Yes.



Mr. SOURWINE. In that connection you have testified that with regard to this report you did not consult anyone about it and no one aided in the preparation of it?

Mr. WALLACE. That is right.

Mr. SOURWINE. It was on that basis I was assuming it was prepared after the Kunming cables.

Mr. WALLACE. I don't mean to make an assumption if it is improper. It does not necessarily follow.

Mr. SOURWINE. You might have that report and had been working on it all the time, but not consulted anyone when you were consulting about the Kunming cables.

Mr. WALLACE. It is quite possible.

Mr. SOURWINE. Although the report follows and summarizes?

Mr. WALLACE. Yes. After all, there is quite an extended discussion of what took place in the Province of Sinkiang.

Mr. SOURWINE. Have you made a real effort to recall any circumstances about that report that you could along the line of the questions?

Mr. WALLACE. I have given you all that I can.

Mr. SOURWINE. You made a real effort to recall and you can't?

Mr. WALLACE. I just don't know.

Senator SMITH. Senator Ferguson.

Senator FERGUSON. The cables seem clear to you at the present time as to how they were prepared?

Mr. WALLACE. Yes. That was a very dramatic moment. I have had conferences with Mr. Alsop with regard to that and have verified my memory by consulting with him. I first consulted with him at the time Mr. Kohlberg wrote me in August 1950, with regard to it. I called up Joe Alsop at that time.

Mr. SOURWINE. You had your memory refreshed on the Kohlberg letter?

Mr. WALLACE. My memory had been very abundantly refreshed because of this correspondence with Kohlberg and by calling up Joe Alsop, and Joe Alsop is a younger man than I.

The Kunming thing occupied a more important part in his life than mine. That was a high point, to be sitting in with the Vice President and working with him. No doubt his memory is very accurate in that respect.

Mr. SOURWINE. Did he have memoranda when he came to you in relation to refreshing your memory?

Mr. WALLACE. When I phoned him with regard to Kohlberg's letter?

Mr. SOURWINE. Yes.

Mr. WALLACE. I didn't see him face to face at that time.

Mr. SOURWINE. You talked on the phone?

Mr. WALLACE. Yes.

Mr. SOURWINE. Recently has he had any memoranda to refresh your memory on—

Mr. WALLACE. I don't think so. He was so much an intimate part of that whole China picture for so many years, I don't think he needed my memoranda.

Mr. SOURWINE. Have you consulted Owen Lattimore in relation to this?

Mr. WALLACE. Not at any time.

Mr. SOURWINE. Have you consulted Vincent?

Mr. WALLACE. Not at any time.

Mr. SOURWINE. Hazard?

Mr. WALLACE. Not at any time with regard to this. Yes, with regard to another point.

Mr. SOURWINE. So, you have consulted just one. That is why you have a clear memory on the cables?

Mr. WALLACE. Yes. I have had abundant check and cross-check on that.

Mr. SOURWINE. You did not try to check with anyone about the message to the President?

Mr. WALLACE. I understand that Owen Lattimore and John Carter Vincent have testified or written that they had nothing to do with it. I don't know just how correct that is. I don't know whether it was in the press or where. I saw it somewhere.

Mr. SOURWINE. So there will be no false implication, what you mean is you have no idea how true it is whether they so testified?

Mr. WALLACE. I really don't know whether they so testified. It was in one of the newspaper columns. I saw it stated that John Carter Vincent had written somebody, probably Kohlberg, saying he had not taken part.

Mr. SOURWINE. But it has——

Mr. WALLACE. I have no recollection of John Carter Vincent working with me on this report.

Mr. SOURWINE. Or Mr. Lattimore?

Mr. WALLACE. Or Mr. Lattimore.

Mr. SOURWINE. You had testified no one worked with you?

Mr. WALLACE. Yes. I have no recollection.

Mr. MORRIS. You do recall they were on the plane?

Mr. WALLACE. They were, definitely.

Mr. MORRIS. With respect to the Kunming cables about which you have a vivid recollection at the time of their preparation, what about those?

Mr. WALLACE. That was a rather dramatic occasion, because it was at Kunming after talking with General Chennault that I appreciated how terrifically serious the Chinese situation was.

Mr. MORRIS. Was it July 10 you did not consider that report serious?

Mr. WALLACE. The big point of the trip was the call to action. I was there on a military mission essentially.

When I sent that statement, I was suggesting very specific action that I thought could save the military situation. The report of July 10 was more or less a narrative, a rather simple narrative discussion of where we went and what we found.

It is a travelog kind of thing. I have been engaged in travelog descriptions ever since 1909. I have written them up for the papers, gone here and there. This is largely a travelog thing, except the conclusion.

There was a specific suggestion with regard to how the Kuomintang government could have been saved if liberal elements, not Communists, were brought in.

It is rather a simple kind of report. All you need is to have somebody give you the spelling of the Chinese names.

Mr. MORRIS. Is it your testimony that the contents of the Kunming cables were dictated by you?

Mr. WALLACE. Yes.



Mr. MORRIS. Who aided you in the preparation of those cables?

Mr. WALLACE. There were two men that were present, Joe Alsop and John Carter Vincent.

Mr. MORRIS. Did Joe Alsop aid you in the preparation of those cables?

Mr. WALLACE. He was using the typewriter. I verified that from him.

Mr. MORRIS. Was he the amanuensis?

Mr. WALLACE. He was chiefly an amanuensis. He suggested some changes in phraseology.

Mr. SOURWINE. You were not dictating to Mr. Alsop for him to take down verbatim; were you?

Mr. WALLACE. I would not say absolutely verbatim, but it was one of those situations where you would go a sentence and stop and discuss.

As I testified in executive session, the three of us batted back and forth for quite a bit. It was a serious thing, and we were determined to do everything possible for the war effort.

I was inspired by the dilemma in which Chiang Kai-shek had found himself in his request that I intercede with Roosevelt.

Afresh from that impact with the additional impact from General Chennault—I was facing a war situation that was going bad and something had to be done about it at once. It was the kind of thing that tends to stir up your memory. My memory is not so very good on things that far back; so, I did talk to Joe Alsop about it in 1950. I talked to him about it in September of this year.

Mr. SOURWINE. All I am trying to get is the distinction between these two kinds of dictation to a man at a typewriter. I don't mean in either case to ask you if you said these actual words, but I want to find out which of these two patterns you followed:

After this had been batted back and forth, which you say, "All right, I know what we are going to say. Now take this down," and then you would dictate a sentence?

On the other hand, would you say something like this: "We are all agreed on that. Tell him so-and-so"?

Mr. WALLACE. It would be more nearly the latter, I would say, in all probability.

Mr. SOURWINE. What you were doing was deciding as to substance rather than dictating the words which followed one another?

Mr. WALLACE. That may be carrying it a little too far, but it is more in that category, I would say. You can consult Mr. Alsop with regard to that.

I may say Mr. Lattimore, to the best of my knowledge, never knew this cable was sent.

Mr. MORRIS. Exactly what role did John Carter Vincent have at this episode?

Mr. WALLACE. As I testified in executive session, he was present. He did not initiate the idea, to the best of my recollection. The initiation came from me. He did engage in the conversation. He did engage in batting it back and forth.

Mr. MORRIS. What did he say?

Mr. WALLACE. I can't say. There is no possible way by which I can remember a conversation of that sort. It is utterly impossible.

All I can say is this: Sometimes in a situation of this kind it is easier to remember, you might say, the flash of an eye or the attitude

of a face than any words. I can say that I gathered it from his attitude and I can't remember a single solitary sentence, a phrase, a fragment of a phrase, but I gathered it from his attitude.

It would just be that I can just remember the flash of his face that this is the thing to do. "Let's go, boys." That is roughly the feeling I had about it.

Mr. SOURWINE. I have just three question more.

Is it the substance of your testimony that you can't point to any particular paragraph or any particular idea in these cables and say that was Mr. Vincent's idea?

Mr. WALLACE. No, or that it is Mr. Alsop's idea, or mine. It would be impossible to separate it out on that basis.

Mr. SOURWINE. Is it true you can't point to anything in the cable and say Mr. Vincent was against that?

Mr. WALLACE. That is true.

Mr. SOURWINE. Is it because he was against anything, or is it because what was in the cable was something that met the joint approval of the three of you that were there?

Mr. WALLACE. I would say it is something we talked out and agreed to.

Mr. SOURWINE. In other words, he did not disagree to anything in the cable?

Mr. WALLACE. I have absolutely no recollection of anything he disagreed to in the cable or——

Mr. SOURWINE. Yes?

Mr. WALLACE. I was going to say is there any other question? Could I get to work on this statement?

Mr. MORRIS. I have some questions in connection with this. I would like to take the passage in the Kunming cables which reads:

But the attitude of Chiang Kai-shek toward the problem is so imbued with prejudice that I can see little prospect for satisfactory long-term settlement.

Do you know whether John Carter Vincent agreed with that expression?

Mr. WALLACE. I think my general statement is the only statement I can make.

Mr. MORRIS. We have to talk in concrete terms.

Mr. SOURWINE. Mr. Wallace has testified there wasn't anything in the cable Mr. Vincent disagreed with. They talked it out.

If there was disagreement, they made adjustments. There wasn't anything in the cable Mr. Vincent disagreed with; is that correct?

Mr. WALLACE. That is correct.

Senator SMITH. Mr. Wallace, when that cable was sent, did you carefully read the last draft of the cable, if there was more than one draft?

Mr. WALLACE. Of course, That was a part of it. This was continuous hard, sweating work.

That is what this one was. It was to meet a great emergency. I can't emphasize how great the emergency was felt at that time.

Senator SMITH. I was wondering whether or not you said to Mr. Alsop, "Here is what we agreed upon," and prepared a cable and whether thereafter there was any change in the language of the cable that was finally sent.

Mr. WALLACE. This was something I was an intimate part of.



Mr. MORRIS. In connection with that sentence which I read, do you testify that is an anti-Communist statement?

Mr. WALLACE. I think it might save time if we go from the executive session in which I say point after point this is factual, then at the finish say this is definitely anti-Communist.

It was not prepared with the idea that it was anti-Communist at the time. It was prepared at the time with the idea of saving a war situation.

We were not thinking about that. We can say definitely today that the concluding sentences of that Kunming cable were definitely anti-Communist, and we can say that the other sentences are factual. That is what I so testify.

If you want to include the executive-session hearings at this point, I think it would save time, so I could get on with the reading of my statement.

Mr. MORRIS. There were six points here. I would like to bring them out. You can lay stress on any one. I would like to find your attitude. The first is [reading]:

But the attitude of Chiang Kai-shek toward the problem is so imbued with prejudice that I can see little prospect for satisfactory long-term settlement.

Mr. WALLACE. The same answer as in the executive hearing.

Mr. MORRIS (reading):

I emphasized to him the importance of reaching an understanding with Russia.

Mr. WALLACE. The same answer as in the executive hearing.

Mr. MORRIS. That is not significantly anti-Communist or pro-Communist?

Mr. WALLACE. The same answer as in the executive hearing.

The CHAIRMAN. What is it?

Mr. WALLACE. The answer I gave in the executive hearing to all of these preliminary sentences. The answer was: This is a factual statement.

Mr. MORRIS. You don't care to characterize it as an anti-Communist or pro-Communist statement?

Mr. WALLACE. I simply say it is a factual statement.

Mr. MORRIS. Without characterizing it?

Mr. WALLACE. That is right.

Mr. MORRIS (reading):

With regard to the economic situation, there is little that we can do, and the Chinese appear incapable of coping with it.

Mr. WALLACE. That is a factual statement.

Mr. MORRIS. Then you mention the rising lack of confidence in the Generalissimo and the present reactionary leadership of the Kuomintang.

Mr. WALLACE. That is a factual statement.

Mr. MORRIS (reading):

The foregoing picture has been drawn on the basis of the best available information to show you how serious the situation is.

Mr. WALLACE. Factual.

Mr. MORRIS (reading):

It should be possible to induce Chiang to establish at least a semblance of a united front necessary to the restoration of Chinese morale and to proceed thereafter to organize a new offensive effort.

Mr. WALLACE. A factual statement.

That had reference, of course, to the military. I was not there to have anything to do with establishing a coalition government between the Kuomintang and the Communists.

Mr. MORRIS. You wanted a coalition of military forces?

Mr. WALLACE. It was a question of interchange of military information and a united effort against the Japanese; this is all factual stuff. It does not have anything to do with anti-Communist or pro-Communist. It is simply factual.

Mr. SOURWINE. That statement by itself on its face could not have been factual. It is an expression of opinion; is it not?

Mr. WALLACE. What does it say?

Mr. SOURWINE. You said "it should."

Mr. MORRIS (reading):

It should be possible to induce Chiang to establish at least a semblance of a united front necessary to the restoration of Chinese morale and to proceed thereafter to organize a new offensive effort.

Mr. WALLACE. I would call it a factual statement. If you want to call it opinion, all right. It looks like a factual statement.

Mr. SOURWINE. It was the view you held on the basis of the factors you were familiar with?

Mr. WALLACE. Yes.

I thought it was possible.

Mr. MORRIS. Next here it says:

As I took leave of Chiang he—

Chiang Kai-shek—

requested me to ask you to appoint a personal representative to serve as liaison between you and him.

Then you go on to recommend.

Mr. WALLACE. To Chungking. Did you read it correctly. I took leave of what?

Mr. MORRIS (reading):

As I took leave of Chiang, he requested me to ask you to appoint a personal representative to serve as liaison between you and him. Carton DeWiart occupies somewhat the same position between Churchill and Chiang. In my opinion a move of this kind is strongly indicated by the politico-military situation.

An American general officer of the highest caliber, in whom political and military authority will be at least temporarily united, is needed. It appears that operations in Burma make it impossible for General Stilwell to maintain close contact with Chiang. Furthermore, Chiang informed me that Stilwell does not enjoy his confidence because of his alleged inability to grasp over-all political consideration. I do not think any officer in China is qualified to undertake the assignment. Chennault enjoys the Generalissimo's full confidence, but he should not be removed from his present military position.

The assignment should go to a man who can (1) establish himself in Chiang's confidence to a degree that the latter will accept his advice in regard to political as well as military actions; (2) command all American forces in China, and (3) bring about a full coordination between Chinese and American military efforts. It is essential that he command American forces in China because, without this, his efforts will have no substance. He may even be Stilwell's deputy in China with a right to deal directly with the White House on political questions, or China may be separated from General Stilwell's present command.

Without the appointment of such a representative you may expect the situation here to drift continuously from bad to worse.

I believe a representative should be appointed and reach Chungking before east China is finally lost so that he can assume control of the situation before it degenerates too far.



While I do not feel competent to propose any officer for the job, the name of General Wedemeyer has been recommended to me and I am told that during his visit here he made himself persona grata to Chiang.

Do you contend that is an anti-Communist recommendation?

Mr. WALLACE. Yes.

Mr. MORRIS. Of all the statements here that is the one you contend is anti-Communist?

Mr. WALLACE. I contend so far as action was concerned, the whole effect of the cable was definitely and conclusively anti-Communist because it suggested the replacement of Stilwell.

Mr. MORRIS. That is not necessarily a replacement. The man you proposed could be a subordinate, you say.

Mr. WALLACE. But with complete liberty with regard to political action in China which is the key to the whole situation.

Mr. MORRIS. Did you contend that is an anti-Communist act?

Mr. WALLACE. I do most profoundly so contend.

Mr. MORRIS. Do you know whether or not the Communist Party through its official publications protested the removal of Stilwell?

Mr. WALLACE. I am not an expert on the Communist Party. I do not read their publications and don't know what they are up to.

Mr. MORRIS. Have you not set yourself forth as an expert here when you said John Carter Vincent did not object to this so he couldn't have been a Communist? Do you not by that very fact set yourself up as an expert?

Mr. WALLACE. No. Let us put it this way: Mr. Budenz has testified—

Mr. BALL. May I interrupt for a moment? It seems to me that question is directed to things which are in Mr. Wallace's statement which is not yet in the record.

Senator SMITH. We are asking about it. We are not going to preclude him from putting in the statement.

Mr. BALL. The form of Mr. Morris' question indicated that Mr. Wallace has testified to things which he has not testified to, because they have not been put in the record.

Senator SMITH. It is the committee's privilege to ask questions. We are not precluding Mr. Wallace from giving answers.

Mr. WALLACE. This will be a repetition of what I have in my statement, if you don't object.

Senator SMITH. It may be. I think the committee should have the right to ask you in what form they wish the questions to be answered.

Mr. WALLACE. There have been witnesses before the committee who have testified with regard to what the Communist attitude was at that time. When I said I was not an expert on Communist attitude in 1944, I was speaking advisedly. I am not an expert on Communist attitude in 1944; have never claimed to be an expert on Communist attitude at any time. I just don't know because it is such a wavering kind of line.

The only word I can take as to what Communist attitude in 1944 was is testimony by Mr. Budenz who indicates that the Communist attitude in 1944 was to tear down Chiang Kai-shek. That is his testimony.

I say that what I recommended in terms of action, and this was the only thing effective in terms of action and the only way in which there could be expression, was through Roosevelt in terms of action.

The only thing I recommended in terms of action to Roosevelt was an action which built up Chiang Kai-shek and went against, judging from the testimony of Budenz, what was the Communist line at that time.

Again, I say I am in no sense an expert on the Communist line.

Mr. MORRIS. You do not know, then, what the Communist attitude was with respect to the items we read in the Kunming cables?

Mr. WALLACE. I was sent specifically, specifically instructed by Roosevelt not to get in touch with Communists. I was sent on a mission to Chiang Kai-shek; not to the Communists.

So I don't know what the Communists stood for, whether they were Chinese or Russian or American, in 1944.

Mr. MORRIS. Therefore, you must testify that you do not know whether or not the recommendation set forth in the Kunming cables was or was not consistent with Communist policy?

Mr. WALLACE. I have to take, except insofar as Mr. Budenz so testified—I am accepting him as the expert. It may be later on we will discover that the Communists were strong for building up Chiang Kai-shek. It is quite possible you will discover that later.

You can't tell about the turnings of the Communist line.

Mr. MORRIS. If you are accepting him as the expert, he has testified this Kunming cable is not an anti-Communist document.

Mr. WALLACE. I am accepting him as an expert in his field of competence, and not in his field of incompetence.

Mr. MORRIS. I don't understand the distinction.

Mr. WALLACE. He was trained for many long years in teaching the authoritarian dictatorship of the Communist Party, and ought to know the Communist Party, and that when he spoke there he spoke as an authority and when he spoke on my Kunming cable, he spoke as a man completely without knowledge and authority.

Mr. MORRIS. He was the editor of the publication setting forth the Communist view on it at the time?

Mr. WALLACE. I am accepting his testimony as to what he said the Communists wanted with regard to Chiang Kai-shek. I will proceed to show in my statement that Mr. Budenz was in error, very definitely, when he said things in regard to my cable. I will say he was imposing on the high dignity of this committee when he testified as he did.

Mr. MORRIS. Testified to what?

Mr. WALLACE. When he testified to the effect that my cable was not anti-Communist in its effect. Could I be allowed finally to read my statement?

Senator SMITH. Right in that connection there are two or three questions that I would like to ask you. I think you can answer very quickly.

In connection with Mr. Budenz' testimony, I assume you are in sympathy with the over-all objective of this committee's activities in tracking down Communists in the Government if there are any?

Mr. WALLACE. Of course. I agree completely that the world situation as it is, it is a very important function indeed.



Senator SMITH. Do you think that is a field within which the committee ought to operate to secure such evidence as it can?

Mr. WALLACE. Of course.

Senator SMITH. Do you feel now from published reports and information you have there are any Communists or Communist sympathizers in America? Is there any doubt in your mind about that?

Mr. WALLACE. They seem to have gotten into various places. They even got into the Manhattan project, if you may remember. They have a capacity to get around that is altogether astounding and which has been well demonstrated it seems to me by documented evidence.

Senator SMITH. I am asking these questions manifestly for the purpose of establishing the good faith of your mind and what you feel in regard to this committee's activities.

You feel that these Communists, as such, as you have just mentioned should be tracked down, if possible?

Mr. WALLACE. Certainly. If there is real trouble going to break out, there is no question as to where their allegiance will lie.

Senator SMITH. There is no question that this committee, if it can be of assistance, should attempt to keep that sort of people out of government?

Mr. WALLACE. Yes. I agree.

Senator SMITH. When we call people as witnesses either by subpoena or voluntarily on their part, you feel we should hear whatever a witness is testifying to under oath?

Mr. WALLACE. I hope so.

Senator SMITH. In that connection, if a witness should come here and testify under oath and it later turned out he did not tell the truth, you do not think that should be any reflection upon this committee or its members?

Mr. WALLACE. No; I don't. I just feel that the committee has perhaps been imposed on.

Senator SMITH. That goes back to the efforts that the committee has made to take testimony in executive session to test witnesses before the open session and to protect a person who might be innocent. You agree on that?

Mr. WALLACE. I do, sir.

Senator SMITH. You, of course, realize always that the committee cannot hear but one person at a time, and it takes a good deal of time on each person?

Mr. WALLACE. Yes.

Senator SMITH. Do you have any personal complaint against the committee either for its subpoenaing you or for its failure to hear you?

Mr. WALLACE. As a matter of fact, I wrote Senator Ferguson sometime in early September. I had quite a little correspondence with him in which I indicated if there was any way in which I could be of service to him personally or through the committee, I would be glad to do so. I was a little bit surprised to receive a subpoena on my farm directing me to be at Foley Square on 18 hours' notice. That is the only point at which I felt that I was a little bit up against the gun, because I had a personal situation that was very difficult to meet.

At that time I may say I was assured that it would only take a half or three-quarters of an hour to take my testimony.

Senator SMITH. You were talking to an optimist.

Mr. WALLACE. Then a little later I talked to Mr. Sourwine, and he was utterly cordial. This was about midnight. At that time there were only 8 hours separating me from the necessity of catching a train, and those were hours of sleep.

Mr. Sourwine was so cordial and so completely agreeable that I should have the necessary time to get counsel that I have no complaint against the committee at all, although I had some uneasy moments the evening of October 3 when I was trying to arrange my affairs to see whether or not I could get down to New York City the following morning at 11 o'clock.

Senator SMITH. I did, too, but I was scheduled to hold that hearing and could not go.

Mr. WALLACE. So I frankly have no complaint against the committee except this one, and that was a passing minor irritation.

Senator O'CONOR. It does seem to me Mr. Wallace has several times emphasized that there should be given an opportunity to him to put a statement in. I think that should be granted.

Senator SMITH. We have told him that this morning.

Senator O'CONOR. I think he should if there has been extensive interrogation. He should read the statement.

Senator SMITH. We assured him this morning that would be done.

Senator O'CONOR. I did understand him to say he did want to get along with it now.

Senator SMITH. The question was whether or not the plan of examination was going to be followed first, because he had a certain line prepared. Then Mr. Wallace would have a chance to put this in.

Then the committee would wish to properly call Mr. Wallace back, or give him a chance to come back on anything.

Mr. WALLACE. It would save expense if we can complete it now.

Mr. MORRIS. We have rule 6 of the Senate Committee on the Judiciary which reads:

The committee shall, as far as practicable, require all witnesses appearing before it to file in advance written statements of their proposed testimony at least 24 hours before hearing and to limit their oral presentation to brief summaries of their argument.

I would just like to call attention of the chairman to that rule.

Senator SMITH. Is that rule applicable to witnesses that the committee subpoenas or to witnesses that offer to come here?

Mr. MORRIS. Mr. Sourwine.

Mr. SOURWINE. The rule is intended to be applicable to voluntary statements. The witness subpoenaed is here to answer questions and does not have a voluntary statement.

Senator SMITH. Is that not the reason we waived the rule as to this statement, so that it could be put in today rather than at a later hearing?

Mr. SOURWINE. That rule of the committee as the chairman knows, stems from the requirement of the Legislative Reorganization Act in section 133 (e) that each standing committee shall, as far as practicable, require all witnesses appearing before it to file in advance written statements of their proposed testimony and to limit their oral presentation to brief summaries of their argument.

The committee fixed 24 hours under a sort of de minimis rule that anything less would not be the filing in advance that was contemplated by the statute.



The rule has been waived by the committee. It is a question of what is desired.

Senator SMITH. I thought it should be because we subpoenaed him to come here. Therefore, he was not coming, while no doubt he would have of his own volition. The statement which he has, while not meeting that rule, it seems to me we were acting quite properly in waiving any rule about 24 hours so he could offer this statement.

Senator O'CONNOR. I do not think the committee wants to be in the position of precluding or in any sense of stopping the witness from presenting it. I think he has answered very fully. I think he should be given opportunity to proceed.

Mr. SOURWINE. If I may make a further statement since this statement is in the form of a press release, and I presume will be released through the press, or has been, perhaps he should not be interrupted for questioning.

If you desire to have it read instead of placing it in the record, that is. If we did it, it would spoil the continuity of it. The statement would not represent precisely what he testified to.

If he wants the statement to represent what he testifies to, the committee should let him read it without interruption.

Mr. MORRIS. May I, for the record, point out the unfairness of the failure on the part of witnesses to comply with this rule. As counsel and Mr. Mandel as research director, we have the obligation of extracting or refuting some of the statements there.

I have not read the statement. I would like to be in a position to answer if any follow-up questions are asked or to introduce any refutation of the facts that Mr. Wallace has gratuitously set forth.

Mr. WALLACE. I might say, Mr. Counsel, that this follows much the line of the statement that I released the other day, but it brings in also reference to Mr. Budenz.

Mr. SOURWINE. Since that statement has been mentioned, if the chairman will indulge me for just a moment, I would like to combine a statement and a few questions to you.

There has been a great deal of criticism of this committee in the press and otherwise for failing to permit the previous statement to go in the record. I think in fairness to the committee there should be an understanding of what the situation was. If I misstate anything, I ask you to please call my attention to it.

When we approached the noon hour, or the hour of recess, you called attention of the committee to the fact that you had a statement and you would like to put it in the record. Is that correct?

Mr. WALLACE. Yes.

Mr. SOURWINE. It was stated by you or your counsel that the statement had already been given to the press for release at the conclusion of the hearing?

Mr. WALLACE. That is correct.

Mr. SOURWINE. It was at that point that a number of the members of the committee who were familiar with the history of your request that the session be made public instead of executive, and the chairman's telegram to you denying that and saying that it was to be executive—it was a number of the members of the committee who were familiar with that history who then expressed the view that since you had come there with a statement which had already been sent on its way to the press to be released as what took place in execu-

tive session that the statement should not then and there be permitted to be put in.

Is that a fair statement?

Mr. WALLACE. Yes.

Subsequent to that it was found it actually had not gotten out to the press, and I met with counsel after the meeting.

Mr. SOURWINE. You advised the committee of that fact at the end?

Mr. WALLACE. Yes.

Mr. BALL. I advised the committee because I called my office to make sure that it had been delivered or to ascertain definitely whether or not it had been delivered to the Senate Press Gallery.

Mr. SOURWINE. Was it your understanding, in connection with having advised the committee it had not been delivered, that you intended to convey the idea to the committee you had stopped it and would not release it?

Mr. BALL. No. I have conveyed, and we have looked at the record because I was very much surprised afterward there was some indication that the committee felt I had made a promise on Mr. Wallace's behalf in that regard.

I don't have the exact words of what I said here—yes; here they are:

For the committee's information—and I have not had an opportunity to tell Mr. Wallace—I checked with my office. I found they were on the way with the statement up here. I have recalled them, and the statement has not been released to the press.

I certainly did not intend by that to give any assurance to the committee that the statement would not be released to the press after I had an opportunity to consult.

Mr. SOURWINE. At that time at the tail end of the hearing and up to that time, the committee had no reason to think but that if this statement went into the record would subsequently be released as Mr. Wallace's statement to the committee in executive session; is that correct?

Mr. BALL. Yes.

Mr. WALLACE. Counsel and I met, Mr. Ball and I, for some time that afternoon to decide whether or not to then release it to the press. This was along about 4 o'clock. At that time we had no assurance there would be an open hearing; and, because of the feeling there might not be an open hearing and because certain things had been said about me along the line you mentioned in opening up the hearing, I felt my only chance, knowing the way the press works when things are hot, to get certain information into the press was to make the release then.

Mr. SOURWINE. I did not intend to say anything that might sound critical of your issuing the release. That is not my province.

Mr. WALLACE. I don't want our action to impugn the good faith of the committee.

Mr. SOURWINE. I was attempting to justify the committee action, at least to explain on the record the committee's refusal to permit the previous statement to go into its executive record.

That is the whole purpose.

Mr. WALLACE. It seems to me we are in accord as to the facts.

Mr. MORRIS. Did you not promise at the termination of the last hearing that you would not release this statement after the hearing?

Mr. WALLACE. No. I don't have any recollection.



MR. BALL. I have no recollection of any such promise. In fact, I have very definitely in my mind not making such a promise until I had an opportunity to consult.

Senator SMITH. The record will show what was said.

Mr. MORRIS. No. This statement I refer to was made after the termination of the record.

Mr. WALLACE. It had to do with what we would say to the newspapermen at the door.

Mr. MORRIS. That no statements would be made.

Mr. WALLACE. I asked you to accompany me. I told them that I could not say whether or not there would be a subsequent statement. The newspapermen can probably deny or confirm this.

Senator SMITH. It did not seem to me that the release of it was anything of great moment, because Mr. Wallace had a right to say what he wished to the press.

I realize Mr. Wallace never had it occur to him that he was going to be in executive session.

Mr. WALLACE. I was not fully aware of the very serious way in which you are approaching the whole technique. I knew in a general way about it, but I had not been fully cognizant of your method of approach.

Mr. SOURWINE. For the record, I believe I should state that the executive record shows that I stated then what had taken place previously, to wit, that Mr. Wallace's attorney had inquired of me with respect to this matter and had been told in response to his inquiry that the committee hoped and expected that its witnesses would respect the executive character of the hearings, but that there was, of course, no way in which the committee could compel that kind of action.

Mr. Wallace's attorney, so the record shows, indicated that was a correct statement and he accepted it as made.

Mr. WALLACE. We changed the top heading. I felt I was quite justified in putting it out that afternoon because it then appeared very clearly this had not been presented before the committee.

You have the exact heading there. I felt the heading took care of the proprieties of the situation.

Mr. SOURWINE. You made it very clear it was a statement which had been offered to the committee and the receipt of which had been refused, and perhaps in a short paragraph you did not have space to explain why.

Mr. WALLACE. Now could I get on with this?

Senator SMITH. It is now 1:25. What is the pleasure of the committee?

Senator O'CONOR. It may be he thinks it should go in at this juncture for possible press release or other purposes. I would think there ought to be opportunity given to the witness to put it in now.

Mr. WALLACE. Maybe you could hear me in relays so that you can get lunch.

Mr. SOURWINE. Have copies been given to the press?

Mr. BALL. Yes.

Senator O'CONOR. Would it be in order to consider it having been introduced in full so it may be possible to release it?

Senator SMITH. You may wish to read it and interpolate.

It ought to be read so that the committee's counsel, who has not had a chance to read it, so he can make such notes as he goes along, but

with the understanding the committee's counsel may have the right to examine this and ask further questions. He has not had a chance to see it.

Mr. WALLACE. Maybe counsel could spell each other.

Senator SMITH. The point is whether or not there was something in here that they would have to do a little research on before they could ask you what they deem would be proper questions.

Mr. SOURWINE. We could better do research during a recess than while sitting here.

Senator O'CONNOR. That is the reason I suggested if the whole statement were put in in toto and then take a recess, then counsel could interrogate.

Mr. WALLACE. Could we get back fairly early?

Senator SMITH. We will recess until 2:15.

(Thereupon, at 1:30 p. m., the hearing recessed, to reconvene at 2:15 p. m. same day.)

#### AFTERNOON SESSION

Senator SMITH. The hearing will come to order.

Mr. Wallace, you may proceed now with your recital of the statement.

Mr. WALLACE. On several occasions in the past few months this committee has heard testimony in public session from a man named Louis Budenz, who was, I understand, a leading American Communist. On August 23, 1951, Budenz testified that a mission to China which I undertook in 1944 at President Roosevelt's request was "followed by the Communists with a great deal of interest in discussions in the Politburo."

According to Budenz' testimony it was pointed out in these Politburo discussions that I "was more or less under good influences from the Communist viewpoint" because I was accompanied on that mission by Mr. Owen Lattimore and Mr. John Carter Vincent, "both of whom were described as being in line with the Communist viewpoint, seeing eye to eye with it, and that they would guide [me] largely along those paths."

Subsequent to this testimony I wrote to President Truman enclosing the two reports that I had made to President Roosevelt with regard to my mission. After the White House had released those two reports, Budenz discussed them before this committee on October 5, 1951.

In the course of his testimony Budenz characterized those reports in various ways, but all with the same implication. They were, he said, "in accord with the Communist policies at that time." Again he said, "these messages, in the light of the period, were what the Communists wanted presented." The "document," according to Budenz, "gives aid to the Communists in the policies they were forwarding at that time."

Since these remarks are coupled with the statement that "the Politburo was very pleased with the fact that Lattimore and Vincent were present," innuendo is clear that I was somehow influenced by one or both of those gentlemen to follow the Communist line. I shall discuss these and other charges fully in the course of my statement.

I am grateful to this committee for permitting me to appear this afternoon in public session in order to state the true facts concerning



my mission to China. From these facts it will be apparent to anyone that, far from following a line favorable to the Communists, my mission resulted in recommendations to the President which, if promptly followed, would have been most harmful to the Communist cause in China in 1944 as defined by Budenz. From these facts it will be apparent that the accusations which Budenz has made about my mission constitute a grave slander.

This committee is quite rightly concerned about the loss of influence which the United States has suffered in the Far East, and about the peril to our security in that part of the world from a Communist-dominated China under the direct influence of Russia. I am testifying before you this morning as a man who in another time of great peril presided over the most powerful body in the world, the United States Senate. It was during my tenure as Vice President and President of the Senate that war was declared against the Fascist powers and that the United States put forth the most magnificent war effort that any nation ever demonstrated. I had an intimate part in that effort.

As Secretary of Agriculture I proposed the legislation that made it possible to build up enormous supplies of food and cotton in the ever-normal granary.

As Secretary of Agriculture I initiated the trade of a part of our cotton for a large amount of rubber in 1939.

As Vice President I was asked by President Roosevelt to use the prestige of my high office to straighten out tangles in our production effort during the period just prior to our entry into the war.

I became Chairman of the Supplies, Priorities, and Allocations Board during the critical period when we were converting our automobile facilities to the all-out production of tanks and airplanes.

In 1941 President Roosevelt asked me to head what later became the Board of Economic Warfare. This Board had a large part to play in the control of exports, the stimulation of imports needed in the war effort, and the selection of the most vital bombing targets in enemy lands.

In 1943 I was asked by the President to make a good-will trip to Latin America to stimulate the maximum production of strategic materials which we needed.

I cite this record not from vanity—although I am proud of the part which I was able to play in the war—but to show the background for the mission to China which I undertook in the spring of 1944.

President Roosevelt suggested that mission. The President had long been concerned over the military situation in China, and we had watched it progressively deteriorate. In the spring of 1944 it was especially necessary that nothing happen which would aggravate the Allied military situation in any part of the world.

All of our effort was then being concentrated on the landings in Normandy. Those landings, which were to be attempted at the beginning of June, represented the central point of a strategy for which the western allies had been long preparing. They represented not only the fulfillment of our military build-up but also the answer to Marshal Stalin's persistent request for the opening of a second front.

In view of the way Russia has behaved since the war and of the way Soviet communism is now menacing the peace of the world, it is difficult for us to think back clearly to the summer of 1944. At that time, however, everyone concerned with our military effort recognized

that we needed the full cooperation not only of our western allies but of the Russians as well if the great gamble that was to begin on D-day was to succeed. We needed to do everything possible to insure that the Russians would maintain their pressure on the eastern front so that they would continue to impose the wastage which was beginning to strain both German manpower and German war production. The possibility of a separate peace between Russia and Germany was a nightmare that haunted the dreams of everyone responsible for fighting the war.

It was in the context of this world situation that the President asked me to undertake a mission to China. He wanted me to discuss directly with Gen. Chiang Kai-shek the factors which were permitting the Japanese to make such tremendous advances into eastern China.

In preparation for the mission, I first talked with Secretary Stimson and General Marshall, since the purposes of the mission were primarily military.

Secretary Stimson described the Chinese situation as the thorniest problem he had and stated that there was a serious mix-up between various members of the Soong and Chiang families. Burma was the worst front that our Army had. He was deeply concerned about the graft which resulted from the black market and the way in which our airports were built.

General Marshall was somewhat more optimistic. He also spoke, however, of the graft in the construction of our airports as well as of the antagonisms within the chief families of China.

Upon completing these conversations, I spoke with Secretary Hull, who indicated much the same concern as had Secretary Stimson and General Marshall. He recommended particularly that I rely on Clarence E. Gauss, who was then our Ambassador to China and in whom he had great confidence.

At Secretary Hull's request I also talked with Dr. Stanley Hornbeck, a far eastern expert in the State Department, as well as with Dr. Isaiah Bowman, a world-famous geographer, who was then adviser to the Secretary of State.

In my farewell meeting with President Roosevelt a few days before I left, he placed great emphasis on solving the problem of inflation and on getting both sides in China to concentrate on fighting the Japanese instead of each other. He said he would be glad to sit in as a friend to get both sides together; all that he wanted was results in terms of fighting the common enemy. He did not suggest that I try to bring about a coalition government between the Chinese Nationalists and the Communists; in fact, he asked me not to see the Communists at all, since a visit by the Vice President of the United States might be misunderstood as indicating that our country favored the Communist cause.

He did urge, however, as did Isaiah Bowman, that every effort be made to bring about a settlement of pending differences between China and Soviet Russia as soon as possible in order to prevent Soviet Russia from having a pretext for taking over domination of China after the war. It was with the background of these instructions, which were chiefly military, that I went to China.

Accompanying me on my China mission was Mr. John Carter Vincent, Chief of the Division of Chinese Affairs, who was assigned to the



mission by Secretary Hull to represent the State Department. Also accompanying me was Mr. Owen Lattimore, of the Office of War Information, who was assigned by and at the suggestion of Mr. Elmer Davis, then head of OWI.

If I may interpolate here, it is my recollection that Mr. Owen Lattimore's name was first brought up by President Roosevelt, who was enormously interested in Mr. Lattimore's knowledge of the problems along the 5,000-mile border between China and Russia, his knowledge of the way in which the nomadic tribes wandered back and forth along that border; and, as I remember it, President Roosevelt, who often talked to me about this area of the world, mentioned at this time that there were great potentialities for the future involved in any dispute along that area.

It does happen to be the longest frontier between two nations of any place in the world, and there are many ancient relationships there about which very few Americans have first-hand information. That is my recollection of President Roosevelt.

However, when I talked to Elmer Davis, he made it clear that Owen Lattimore was loaned to me as a member of OWI and not of my staff. He did not give up his status in OWI to go with me. He went as a representative of OWI. That was made very clear by Mr. Davis.

I think the way it is here in the prepared statement it does not give the complete picture because President Roosevelt was greatly interested in Owen Lattimore's accompanying me.

Mr. Lattimore spoke Chinese and Mongolian and had a lifelong acquaintance with China. The President had previously mentioned him to me favorably. As the OWI representative on the mission, Mr. Lattimore was expected to assist our group in its relations with the press. That would be in China, of course, and not in Russia.

In order to put what happened later in sensible perspective, I think I should explain the situation that confronted me when I reached Chungking. A political crisis some time earlier had concentrated all influence and power in the hands of the backward-looking antiwestern group of the generalissimo's followers. Ambassador Gauss emphasized to me at great length the dangers of this political development, and how unfortunate it was that such modern-minded, pro-American Chinese leaders as Dr. T. V. Soong were being entirely excluded from the real conduct of affairs.

At the same time the Japanese had started a major offensive in east China. Gen. Joseph W. Stilwell, the American commander in the China-Burma-India theater, was wholly preoccupied with the campaign in Burma. The Chinese armies being attacked by the Japanese had received no American aid to strengthen them.

The Generalissimo complained to me that even the air support for them was limited by General Stilwell's policies. There had already begun a series of shattering defeats of Chiang Kai-shek's forces which were inevitably having sharp political repercussions that threatened in the future to become violent. In the view of practically every American and Chinese I talked to in China, the Generalissimo's government was already in serious danger.

I may add here this danger was especially underlined and emphasized when I reached Kunming.

My conversations with the Generalissimo have already been reported in some detail in the State Department white paper, but there are two points which have a special relevance to Budenz' charges.

Senator FERGUSON. Might I inquire there as to whether or not when you came back you reported those conversations with the Generalissimo and filed them with the State Department?

Mr. WALLACE. I did not file them with the State Department, but I did incorporate a copy of them with my July 10 report, which I handed to the President on July 10, and it appears from the documentation in the white paper that John Carter Vincent filed them because, according to the white paper, he prepared the entire account of conversations.

However, I may say that the last conversation is almost word for word as I took it down. John Carter Vincent was not present on that occasion, and I turned that memorandum over to John Carter Vincent to incorporate with the other conversations.

Senator FERGUSON. Do you know how it came that the State Department did not get your report? If the President had your conversations with the Generalissimo and he turned them over to the State Department, do you know why the report was not turned over?

Mr. WALLACE. I am quite sure that Vincent turned over the conversations directly to the State Department, and in all probability the President did not turn over my copy of the conversations to the State Department.

Senator FERGUSON. Do you know whether Vincent's assignment required him to keep memorandums of your own conversations?

Mr. WALLACE. There certainly wasn't any written document as to what he was supposed to do and what he was supposed not to do. In my conversation with Chiang Kai-shek it was obviously very difficult for me to keep a record because I was doing the speaking. Therefore, it worked out perfectly naturally.

As to whether I told him to do it, I don't know, but it must have been that I did ask him to keep a record while I was engaged in the conversation. It is the only thing that could have been done.

Senator FERGUSON. He kept the record rather than for you after the conversation to write up a memorandum?

Mr. WALLACE. That is right.

Mr. BALL. Mr. Wallace has testified with the exception of the last conversation with the Generalissimo, which occurred, as explained in the statement, in the car going to the airport where John Carter Vincent was not present.

Mr. WALLACE. That is with the exception of the last memorandum which from the standpoint of future action was the most important of all the conversations.

Senator FERGUSON. I think at one time you expressed surprise that your report to the President had not been in the State Department.

Mr. WALLACE. Yes; I did. It didn't get into the press very widely, but I did express surprise that it hadn't gotten to the State Department. The first knowledge I had that it got to the State Department, that it was finally in the hands of the State Department, was the letter I received from Dean Rusk on December 27 of 1950 in which he said he understood this was in the Secretary's office.



Senator FERGUSON. Now do you know where that copy came from?

Mr. WALLACE. I have no idea where it came from.

Senator FERGUSON. You did not furnish it?

Mr. WALLACE. I didn't furnish it; no. I was never asked by the State Department to furnish it. The only request that came to me for that specifically was the request from Senator O'Connor in December of 1949.

Senator O'CONNOR. I might say that you complied with that very willingly and instantly when I did make the request of you.

Mr. WALLACE. Yes; of course.

First, as I look back, I think I must say that the Generalissimo and I talked somewhat at cross purposes in our discussion of the Communist problem. In the win-the-war atmosphere of that time, it was hard for me to believe that the Nationalists and Communists could not at least exchange military information in order to defeat the Japanese, just as the Western Allies were working with the Russians although representing opposing political philosophies. I had in mind the sort of thing President Roosevelt had talked to me about; exchanges of intelligence, combined efforts against Japanese forces, and the like.

The Generalissimo, on the other hand, must have assumed that military cooperation was impossible without political cooperation, to which he was strongly opposed. Hence, on this point, as I wired President Roosevelt, Chiang Kai-shek seemed to me imbued with prejudice. I could not see at that time why he was opposed to reforming the common Chinese military front against the Japanese which had existed at the start of the war. That is, the Chinese-Japanese war.

Second, and most important, as my cable indicates, the Generalissimo said to me very frankly that he lacked confidence in General Stilwell while he had high confidence in General Chennault. His stated reason for his lack of confidence in General Stilwell was Stilwell's poor understanding of political problems.

In any case, it was very clear to me, from the tone and language of the Generalissimo, that he and Stilwell could not cooperate. It seemed to me further it was an unmanageable situation to have an American commander in China who did not enjoy the Generalissimo's confidence and could not achieve friendly cooperation with him. The military situation in China was already critical.

In fact, Chiang Kai-shek gave me the impression, also indicated in my cable to the President, of hardly knowing which way to turn. This greatly increased the importance of having an American commander in China who could win the confidence that Stilwell had not won, and could genuinely help the Generalissimo in the hard times through which he was passing.

When the Generalissimo took me to the airport at Chungking, he and I were alone in the car with Mme. Chiang, who served as interpreter. He spent the entire hour—it might have been a little longer than an hour—while we were together giving me a personal message to President Roosevelt. His mind worked with great clarity, and I took down his words most faithfully; they are found as he gave them to me, as nearly as the speed of my pencil could permit, on page 559 of the white paper.

So far as action is concerned, the altogether significant part is item 9 on page 559, which gives Chiang Kai-shek's views on June 24, 1944, as to how Roosevelt could help him.

Senator FERGUSON. Could I just inquire now, Mr. Wallace, as to whether or not you know how that particular memorandum in relation to your conversation while you were with the Generalissimo alone, and which you handed to the President, got into the white paper, and your report did not?

Mr. WALLACE. The white paper reported all the conversations I had with Chiang Kai-shek. I dictated, I presume to Owen Lattimore, anyhow I put in Owen Lattimore's hands—I don't mean Owen Lattimore; I mean John Carter Vincent's hands—as quickly as I could after this ride to the airport exactly what took place on the ride to the airport so he could include it in the report which he would later make to the State Department.

Senator FERGUSON. If you were reporting that kind of conversation to the State Department, then why didn't you file a copy of your report to the President with the State Department?

Mr. WALLACE. They were two altogether separate things. The report to the President was a summary of the trip, and this was a series of conversations with Chiang Kai-shek on the diplomatic level, which were properly the property of the State Department. I suppose you could quibble and say this was in a little different category than the other diplomatic conversations, but all I can say is that I did not so regard it at the time, and I immediately, as fast as I could, passed it on to John Carter Vincent to include it in the other conversations.

Chiang Kai-shek wanted a contact man with the President who could handle both political and military matters. He criticized Stilwell and praised Chennault, as he had before.

With these thoughts in mind I went on to Kunming, where John Carter Vincent and I were the guests of General Chennault. General Chennault's simple outline of the dangers and threats of the Japanese offensive in east China further drove home the critical nature of the situation.

I resolved, therefore, to send an immediate message to the President, briefly reporting on my talks with the Generalissimo, describing the crisis in China, and suggesting corrective action. The best corrective I could think of was to provide the Generalissimo with an American commander in China who would really work with and support him. Hence it seemed to me necessary to recommend the relief of General Stilwell.

On June 26 at General Chennault's house I went over the whole problem with John Carter Vincent and Joseph Alsop, whom General Chennault had assigned to act as my escort. In the course of a long evening of discussion the three of us batted the whole problem back and forth. With the wholehearted concurrence of both Alsop and Vincent, I decided upon a cable to the President suggesting that General Stilwell be replaced in command in China.

Also, with their concurrence I decided that the new commander in China ought to be given political authority as the President's personal representative. The Generalissimo had asked for this, and it seemed to me that the American commander must have this direct authority from the President in order to obtain Chiang's full confidence. Vincent went along with this view.



Senator FERGUSON. Might I discuss with you this last paragraph? Did you ask Vincent for his suggestions on other matters; for instance, in relation to your report to the President?

Mr. WALLACE. I don't remember whether I did or not. It is quite possible I might have asked for suggestions. I would think I would, but I don't remember.

Senator FERGUSON. Did you discuss with Mr. Alsop any of the other problems besides the removal of General Stilwell?

Mr. WALLACE. With Alsop I discussed fully and completely the whole military situation in the area for which General Chennault was responsible. I had very extended conversations with Mr. Alsop.

Senator FERGUSON. Mr. Alsop was assigned as an escort?

Mr. WALLACE. Yes.

Senator FERGUSON. What was his rank at the time?

Mr. WALLACE. The committee asked that before, and I didn't remember. I have inquired since, and I find he was a lieutenant.

Senator FERGUSON. You felt free to discuss with a lieutenant, Mr. Alsop, this important problem of the removal of a general from the theater in China?

Mr. WALLACE. I have never been a stickler for rank, sir. His rank, so far as I was concerned, was as an escort assigned to me by General Chennault, and it appeared—and this is the altogether important thing—that he had the complete confidence of General Chennault.

Senator FERGUSON. Did you consult with General Chennault as to the removal of General Stilwell?

Mr. WALLACE. I don't think I did.

Senator FERGUSON. Did you consult any other general?

Mr. WALLACE. I am sure I didn't consult any other general. This was too delicate a matter to consult with generals.

Senator FERGUSON. I was wondering on this delicate matter why you consulted with a lieutenant. I should like to have an explanation of it.

Mr. WALLACE. The explanation is very simple. I had known Alsop before. He was the escort assigned by General Chennault. He enjoyed the complete confidence of General Chennault, and his presentation was succinct and made sense to me. That was what I wanted. Obviously this was the kind of thing you just simply couldn't talk about outside the smallest possible circle, and I did not.

Now Mr. Alsop may have passed the information on to General Chennault, but to the best of my knowledge I didn't say a word to General Chennault about it, and to the best of my recollection General Chennault said nothing in any way impugning or discrediting General Stilwell.

Senator FERGUSON. Do I understand then that the only military man consulted and the only State Department man consulted outside of the Chinese were Mr. Alsop and Mr. Vincent?

Mr. WALLACE. That is correct.

Senator FERGUSON. You did consider this a very important matter?

Mr. WALLACE. I considered it a top-secret matter.

Senator FERGUSON. Did you consult with Mr. Owen Lattimore about it?

Mr. WALLACE. No; to the best of my knowledge he never knew about this until it was released in the press this September.

Senator FERGUSON. Was it your conversation with the Generalissimo in the car alone that led you to the conclusion you should look into this matter about the removal of General Stilwell?

Mr. WALLACE. That was the completely dominating factor, reinforced by the increasing seriousness of the military situation which I found when I came to Kunming.

First was the very human need of the Generalissimo, as expressed on the way to the airport, as I described it in the last memorandum in the white paper and, second, was the fact that the military situation was even more serious than I thought, as developed by General Chennault at Kunming.

So I felt that there was no time to lose, and I moved into action as fast as I could.

Senator FERGUSON. Did Mr. Vincent and Mr. Alsop agree on what should be done about General Stilwell?

Mr. WALLACE. I think you were absent when we went over all of this this morning.

Senator FERGUSON. I do not want to cover it if you did.

Mr. WALLACE. I think we went over all of it this morning. I indicated we batted it back and forth and arrived at a unanimity of opinion, and I remember no exception which either one of them took to the proposals.

Senator FERGUSON. I just want the record to show that I had a conference with the House this morning and was unable to be present.

Mr. SOURWINE. There was testimony this morning by Mr. Wallace, in response to questioning, that there was nothing in this cable that Mr. Vincent objected to in any way, that whenever there was an objection they would talk it out and square it up, and it did not go in if there was any objection to it.

Senator FERGUSON. I will read the record.

Mr. WALLACE. I was reluctant, however, to suggest the replacement of Stilwell without offering someone who could fill his place. My first notion was to recommend General Chennault, in view of the Generalissimo's avowed confidence in him and the impression he had made on me.

Vincent raised no objection to this proposal. It was Alsop, a member of Chennault's staff, who spoke against it. As I recall he offered two main reasons for not recommending Chennault: (1) Chennault could not be spared from his job in Kunming of directing the air effort which was then the sole support of the hard-pressed Chinese armies, and, (2) the name of Chennault, who was unpopular in the Pentagon, would never be approved by the Army staff and would only raise prejudice against my recommendation to replace Stilwell. These seemed sound objections.

Finally, I decided to suggest General Wedemeyer as a man for whom the Generalissimo had expressed admiration, and as a logical candidate in view of his record and position as deputy commander in the Southeast Asia theater.

Senator FERGUSON. Did Mr. Alsop explain what the Pentagon's objection was?

Mr. WALLACE. He probably didn't use any phraseology of that kind. I can't recall any phraseology. It was just merely probably some such phrase as "It would raise hell in Washington" or something to that effect. This is what it meant.



Senator FERGUSON. This was the substance?

Mr. WALLACE. This would be what it would mean.

Senator FERGUSON. Did it impress you that this would be a valid objection?

Mr. WALLACE. Yes; it did impress me that it would be a valid objection.

Senator FERGUSON. In other words, if the Pentagon did not want him—

Mr. WALLACE. It just simply was not the wise thing to do.

Senator O'CONOR. May I interrupt to ask you there if the suggestion as to General Wedemeyer's availability and desirability was first made by you?

Mr. WALLACE. No; I don't think it was made by me. I found out from someone that he was agreeable to Chiang Kai-shek. As I have previously testified—I don't know whether it was Chiang Kai-shek himself, whether it was T. V. Soong, whether it was Joe Alsop—but all I remember is that somebody told me, and I think it appears in the cable, that he was persona grata to Chiang Kai-shek. From whom I obtained the information I can't say.

Mr. Alsop may have some recollection on that. I don't think I have asked him on that particular point, but he may have some recollection.

Senator O'CONOR. I knew you had previously expressed some doubt, but I thought you had possibly refreshed your recollection on it.

Mr. WALLACE. No; I don't know. It could quite possibly be Mr. Alsop. I knew it couldn't get outside of this circle because of the delicacy of the situation. That circle would be the Generalissimo, T. V. Soong, Madame Chiang, and Joseph Alsop. It couldn't have been outside of that circle. I don't believe it could.

I might possibly include Clarence Gauss in that circle, also, with whom I had a very confidential relationship, but I can't say as to that, and this is just merely reasoning in retrospect and not on the basis of memory.

My cable was sent from Kunming that evening, and relayed from New Delhi to Washington on June 28. It was not shown to, or discussed with, anyone except Vincent and Alsop.

This is the story of the Kunming cable which comprised my main action recommendations to the President. It is significant that Budenz in commenting on my June 26 cable, has studiously refrained from referring to what was by far the most important recommendation of that cable—the removal of General Stilwell from command in China.

That recommendation was made, as I have shown, almost wholly on the basis of a complaint by Gen. Chiang Kai-shek. The recommendation that Stilwell's successor be a personal representative of the President was specifically in response to the Generalissimo's request.

If my recommendation for the removal of General Stilwell, made as a result of the Generalissimo's request, was following the Communist line, then the Generalissimo was himself following the Communist line in making that request. This illustrates the utter absurdity of the testimony which Budenz has given.

Budenz has testified that "the Communists were very much opposed to General Chennault and didn't want him in the picture at all."

However, as I have shown, I initially proposed to recommend the appointment of General Chennault as General Stilwell's assistant and this proposal was concurred in by John Carter Vincent who, Budenz implied, was influencing me to follow a Communist line. It was only after considering the advice of a member of General Chennault's own staff, Mr. Alsop, that I eliminated the Chennault proposal.

I think anyone who reads both of my reports must conclude that I was interested only in winning the war and that I felt the Generalissimo must be supported in order to accomplish this. My second report, dated July 10, 1944, was made to the President on my return to the United States. To the best of my recollection I consulted no one in the course of its preparation although I did study various memoranda which had accumulated on my trip.

In that report I emphasized specifically not only the views of Ambassador Gauss, but the views expressed to me by T. V. Soong. Soong, as this committee knows, was always a great friend of the United States, and was subsequently Premier of China under the Generalissimo; he was certainly not in any way pro-Communist.

In my report I stated that Soong was "quite outspoken, saying that it was essential that something 'dramatic' be done to save the situation in China, that it was '5 minutes to midnight' for the Chungking Government." Without being specific he spoke of "need for greatly increased United States Army air activity in China and for reformation of the Chungking Government." He said that "Chiang was bewildered and that there were already signs of disintegration of his authority."

Budenz has testified that my criticism of the Generalissimo's government was in accord with the objectives of the Communists. He implies that the sending of any indication to Washington that the Generalissimo "was incapable of controlling the situation for a long period of time" was one of the central objectives of the Communists, who wanted to use this as an opening wedge for a coalition government. Budenz suggests that anyone who criticized the Generalissimo's government to Washington was thereby furthering the Communists' ends.

This is nonsense. Anyone who knew anything about China at that time—and this included General Chennault—was aware that if the Generalissimo's government were to be saved from ultimate and total collapse that government had to be reformed drastically and without delay. The best way to insure its ultimate collapse and a Communist take-over, was to let it continue in its state of physical and spiritual anemia.

It was in recognition of this conviction, which I shared with almost anyone who knew anything about China at that time, whether American or Chinese, that I set forth at the end of my July 10 report a "possible policy line relative to liberal elements in China."

As a part of that line of policy I advocated support of Chiang combined with support of a new and more liberal coalition to which I hoped Chiang would then swing over in the best interests of the Chinese people, as well as the best national interest of the United States.

The political coalition which I recommended that we foster in China was not a coalition with the Chinese Communists, but a coali-



tion, recruited from within the area controlled by the Chungking Government, consisting as I put it, of—

progressive banking and commercial leaders of the K. P. Chen type, with a competent understanding both of their own country and of the contemporary western world; the large group of western-trained men whose outlook is not limited to perpetuation of the old landlord-dominated rural society of China; and the considerable group of generals and other officers who are neither subservient to the landlords nor afraid of the peasantry.

Generals of this type are named in the earlier part of the report—Generals Chen Cheng, Chang Fa-Kwei and Pai Chunghsi.

It is significant that, in the years which have passed since then, not a single one of them has deserted to the Communist cause. Indeed, General Chen Cheng is now prime minister of the Nationalist Government on Formosa.

My intention was to urge American support for a return to power of the more modern-minded, pro-American Nationalist leaders whose loss of power had been so much deplored by Ambassador Gauss during my talks with him in Chungking.

While it is all too easy to second-guess events, I feel that if the course of action which I recommended in my cable had been promptly followed, the situation in China would have been improved.

I feel further that the policy which I recommended in my letter offered the best hope for strengthening the position of the Nationalist Government of China and preventing the kind of "political vacuum" which, as I warned the President in my report, would be "filled in ways which you will understand." By that I meant, of course, a Communist take-over.

I refuse to believe that members of a great and powerful body, the most distinguished legislative body in the entire world, can possibly fall for testimony that it was following the Communist line to recommend that Stilwell be replaced by Wedemeyer in 1944. Never have I seen such unmitigated gall as that of this man in coming before a committee of the United States Senate to utter such nonsense. I say it is an affront to the dignity of a great and honorable body, over which I had the honor of presiding for 4 years.

Mr. MORRIS. Mr. Wallace, as personal representative of President Roosevelt, having visited Generalissimo Chiang Kai-shek, was it necessary for you to follow out the recommendation of Chiang Kai-shek to the President of the United States?

Mr. WALLACE. Was it necessary for me to?

Mr. MORRIS. Yes.

Mr. WALLACE. Obligatory?

Mr. MORRIS. Characterize it any way you want.

Mr. WALLACE. I don't think it was obligatory. I think it was common sense to pass on to the President the cry of one of our leading allies in time of need.

Mr. MORRIS. Were you doing anything more than that when you made that recommendation that General Stilwell be removed? Were you doing anything more than relaying the recommendation or desire of the Generalissimo to the President?

Mr. WALLACE. I can say this. I was deeply moved, as I stated in the hearing before the executive committee, by the cry of a man in deep trouble. I may not have put it exactly that way, but that is essentially what I say. I was deeply moved by the cry of a man in

great trouble, and I was moved to start in to help him as soon as possible.

If you say I am doing this pro forma, I would merely say if I were doing it pro forma, would I have moved with such exceeding speed? I would say that I moved with really exceptional speed to get this to the President, so I would say it was going beyond, shall we say, in view of the difficulties of communications existing out there, it was going beyond the action of simple duty. It was really moving with speed and impetus.

Mr. MORRIS. Mr. Wallace, did the Communists object to the recommendation that General Stilwell be removed?

Mr. WALLACE. I don't know what the Communists did during this period.

Mr. MORRIS. Did they object to his actual removal?

Mr. WALLACE. I have no idea.

Mr. MORRIS. Is it not the heart of your contention that anyone who did not object to the removal of General Stilwell must necessarily have been a non-Communist. Is that not your whole case, Mr. Wallace?

Mr. WALLACE. Well, I am just going by Budenz's testimony. He claims that the Communists were not opposed to Wedemeyer at the time.

Mr. MORRIS. We are talking about General Stilwell's removal.

Mr. WALLACE. Yes, Stilwell's removal. I will say that I have found out recently that they were definitely and clearly opposed.

Mr. MORRIS. How did they oppose it? Will you give us the evidence, Mr. Wallace?

Mr. WALLACE. Yes, I can give you the evidence. I don't know that we have it with us, but that can be obtained, that they clearly and definitely opposed it.

Mr. MORRIS. Is that not the whole issue?

Mr. WALLACE. Yes, I think that is the whole issue; and I think that ought to be put in the record.

Senator FERGUSON. Do you think you have that in writing?

Mr. BALL. Yes; we can supply that.

Mr. WALLACE. I have asked Mr. Ball to get the full evidence along this line because it is the very heart of the case.

Mr. SOURWINE. Mr. Chairman, may I interpose at that point? I don't mean to stop Mr. Morris from anything he has to introduce, but it does seem it might be suggested for the record that the question of determining who was or was not a Communist on the basis of an act or acts which might have been performed at a specified time, while it may be pertinent and relevant, is not the whole question.

There were two prongs of the question which is raised with regard to possible influence over Mr. Wallace, and in justice to Mr. Wallace I believe it should be pointed out that the question on the first part is, "Was Mr. Wallace influenced by anybody?" And that question has to be answered before you can ask the question whether he was influenced by a Communist or any other political viewpoint.

I should also think, in justice to Mr. Wallace, that the testimony so far shows very clearly that Mr. Wallace has stated repeatedly that John Carter Vincent did have a part in the formulation of these cables, that it was thoroughly discussed with him, that when he raised objection the thing was talked out and the cable eventually contained nothing to which he did object; and, therefore, it would seem perfectly



clear that there was influence, that Mr. John Carter Vincent did have a part in this whole thing.

Is that not correct, sir?

Mr. WALLACE. John Carter Vincent undoubtedly had a part in the discussion of the cables.

Mr. SOURWINE. Right.

Mr. WALLACE. As to just what part he had, all I can say is that I remember we continually batted back and forth what was to go into the cables. Whether he objected to anything, he might remember. I don't remember of his objecting to anything.

Senator FERGUSON. Mr. Wallace, this removal of General Stilwell was of such importance that you took it up immediately instead of waiting to come back to the United States?

Mr. WALLACE. That is correct.

Senator FERGUSON. And this cable that you sent would be secret and would go through the Army communications?

Mr. WALLACE. It did.

Senator FERGUSON. Was it coded or not?

Mr. WALLACE. Yes; it was coded.

Senator FERGUSON. With the State Department code or somebody else's?

Mr. WALLACE. I don't know. I suppose it might have been in Army code. I don't know anything about that. The only reason I know it was coded is because when I came to send the document to President Truman I found it so stated.

Senator FERGUSON. Did you keep a copy of it?

Mr. WALLACE. I think I have a copy, but this one is the one apparently that was received by me from the War Department in August of 1944.

Senator FERGUSON. Is this cable in the white paper?

Mr. WALLACE. No.

Senator FERGUSON. It is a secret document?

Mr. WALLACE. It was so marked at the time, I believe.

Senator FERGUSON. Is it still a secret document?

Mr. WALLACE. I wouldn't think so under the circumstances.

Senator FERGUSON. It came through the Army?

Mr. WALLACE. Yes; it came through the Army.

Senator FERGUSON. So, they knew you were recommending the removal of a major general in a theater?

Mr. WALLACE. Somebody in New Delhi may have learned it.

Senator FERGUSON. Yes; it came through their cable. Their translators here would catch it.

Mr. WALLACE. Of course, I was not particularly aware at the time as to how it would be transmitted. I learned it after the fact.

Senator FERGUSON. Yes. You were recommending with the advice of Mr. Alsop and Mr. Vincent the removal of a major general in a theater?

Mr. WALLACE. That is correct.

Senator FERGUSON. And outside of Chiang Kai-shek you had no other military advisers except Mr. Alsop, who was then in the military?

Mr. WALLACE. That is right.

Senator FERGUSON. You were doing that through the channels of the Army. Now, did you assign your reasons in this cable?

Mr. WALLACE. Well, it is spelled out in the closing part of the cable, if you care to read it.

Senator FERGUSON. I assume this cable is a copy from your file?

Mr. WALLACE. This comes from what I transmitted to the President, and I believe the White House must have had this mimeographed directly from my files; yes.

I say in the closing part of this cable, after describing the seriousness of the situation:

An American general officer of the highest caliber, in whom political and military authority will be at least temporarily united, is needed. It appears that operations in Burma make it impossible for General Stilwell to maintain close contact with Chiang. Furthermore, Chiang informed me that Stilwell does not enjoy his confidence because of his alleged inability to grasp over-all political considerations. I do not think any officer in China is qualified to undertake the assignment. Chennault enjoys the Generalissimo's full confidence, but he should not be removed from his present military position.

The assignment should go to a man who can (1) establish himself in Chiang's confidence to a degree that the latter will accept his advice in regard to political as well as military actions, (2) command all American forces in China, and (3) bring about full coordination between Chinese and American military efforts. It is essential that he command American forces in China because, without this, his efforts will have no substance. He may even be Stilwell's deputy in China with a right to deal directly with the White House on political questions, or China may be separated from General Stilwell's present command.

I think that gives the reasons.

Senator FERGUSON. Have you stated in the record what these political considerations were about which you are talking?

Mr. WALLACE. So far as the record in 1944 is concerned, the closest I came to it is referring to the vacuum that will exist in case the deterioration continues, the vacuum which I stated in 1944 would "be filled in ways which you will understand." That is so far as the record in 1944.

Do you want something in addition to that?

Senator FERGUSON. Yes; I do along this line. General Stilwell and the Generalissimo did not agree on political questions. Now, what was that political question?

Mr. WALLACE. General Stilwell believed that more could be gotten out of the military effort against the Japanese if the Chinese Communists received a considerable percentage of American arms.

Senator FERGUSON. So, there was a question there of communism?

Mr. WALLACE. Chiang felt that was a political matter.

Mr. SOURWINE. As you testified here, sir, in your prepared statement:

At the same time the Japanese had started a major offensive in east China. Gen. Joseph W. Stilwell, the American commander in the China-Burma-India theater, was wholly preoccupied with the campaign in Burma. The Chinese Armies being attacked by the Japanese had received no American aid to strengthen them. The Generalissimo complained to me that even the air support for them was limited by General Stilwell's policies.

Mr. WALLACE. Yes.

Mr. SOURWINE. Did that represent a direct complaint from Chiang to you?

Mr. WALLACE. Yes.

Senator FERGUSON. But there was this question of aid or no aid to the Communists involved in the removal of General Stilwell?

Mr. WALLACE. I may say that when a Vice President goes into a foreign land and Americans with different points of view approach



the Vice President they are very cautious in saying anything against the opposing point of view, and to the best of my recollection no one attached to General Stilwell said anything against General Chennault, and nobody attached to General Chennault said anything against General Stilwell. I didn't learn much in China about this situation. I have learned it after the fact for the most part.

I got a glimmering of it from Chiang; but, so far as the Americans in China were concerned, they were exceedingly polite.

Senator FERGUSON. Going back to the political question—

Mr. WALLACE. I got a glimmer of that before I went out there, I may say, just a glimmer of it from someone who called on me. This was a gentleman who was associated with T. V. Soong, who tipped me off, who knew a little about it.

Senator FERGUSON. But the question was involved as to the amount of aid or the nature of the aid to be given to the Communists?

Mr. WALLACE. In retrospect it seems to me that was the issue, but I think I will have to say that was chiefly in retrospect.

Senator FERGUSON. Was that question discussed with Mr. Vincent?

Mr. WALLACE. No; I have no recollection of it. As I say, it is in retrospect that I have this knowledge.

Senator FERGUSON. Did you not discuss with John Carter Vincent the question of why they wanted to remove General Stilwell?

Mr. WALLACE. I have no recollection of any such conversation.

Senator FERGUSON. Then, how could he aid you in the question of the removal of General Stilwell if you did not tell him why he was to be removed?

Mr. WALLACE. As I have said, this whole thing came from my initiative growing out of my conversation with Chiang Kai-shek, and I got into action as soon as I possibly could after I left Chiang Kai-shek.

After I had the conversation with him, I left that afternoon for Kunming. The next day, the 25th—I was getting briefed by Chennault on the 25th—and then I got into action at the earliest possible moment, and it wasn't on the basis—frankly, it was on the basis of who Chiang could get along with to do a job. That was the basis.

There was no need for John Carter Vincent—John Carter Vincent may have said something. I have no recollection of what it was, not the slightest.

Senator FERGUSON. I am trying to find out what you told Vincent. Did you not tell him the political question involved between Stilwell and the generalissimo was that of the furnishing of supplies or equipment to the Communists?

Mr. WALLACE. I don't think I even knew it at the time. I am sure I didn't know it.

Senator FERGUSON. Your wire indicates a political question.

Mr. WALLACE. The Generalissimo had said—and you will find it, I think, in the last part of the conversations—whether it is in there or not, he had said that he had no political confidence in Stilwell.

Now, I didn't know at that time, I am sure, what was the basis of his lack of confidence, and so far as I could remember I did not inquire as to the basis of his lack of confidence. I took the words down. This is what I took down; this is practically verbatim, from

what the Generalissimo said on the way to the airport: "Stilwell has improved but has no understanding of political matters."

Senator FERGUSON. You did not question him on what those political matters were?

Mr. WALLACE. No.

Senator FERGUSON. So, really, what you consulted Mr. Alsop and Mr. Vincent about is how Chiang Kai-shek did not want this man as the general in the theater, were you to recommend his removal and the replacement by another general?

Mr. WALLACE. I didn't see how the Generalissimo and his forces could get results in cooperation with the Americans unless he had someone in whom he had complete confidence, not only in military matters but in political matters.

Senator FERGUSON. Now, when did the name of Wedemeyer come into the conversation or into the analysis?

Mr. WALLACE. Obviously, if I was going to recommend someone to carry out these three specifications, to fulfill them, I, knowing how Roosevelt's mind worked, felt it essential to have another name. That is always in government; if you suggest dropping someone, you have to have a name.

So, I turned around to get a name. Whether I had been given that name earlier or whether I got it from Joe Alsop, I can't positively say, but anyhow the name was there, and it was the only name, I may say—after Chennault's name was eliminated in the manner I described—it was the only name that any of us could think of. That is the name we put forward.

Senator FERGUSON. What was Wedemeyer's assignment at that time?

Mr. WALLACE. Well, he had been a deputy with Stilwell, I believe. I have forgotten what he was at that specific moment. It can readily be ascertained.

Senator FERGUSON. Had you met him?

Mr. WALLACE. No.

Senator FERGUSON. Did you know him?

Mr. WALLACE. I have never met him. I have a close friend in Des Moines who went to West Point with him, who thinks very highly of him. But I had never met him.

Senator FERGUSON. Was he in the Chinese theater at that time?

Mr. WALLACE. Yes; he had been. I already so stated. You see, I have already stated [reading]:

Finally, I decided to suggest General Wedemeyer as a man for whom the Generalissimo had expressed admiration, and as a logical candidate in view of his record and position as deputy commander in the Southeast Asia theater.

Senator FERGUSON. Do you think you raised the name of Wedemeyer first?

Mr. WALLACE. I would very much doubt it, because I didn't know him.

Senator FERGUSON. Do you think Mr. Alsop did?

Mr. WALLACE. It would seem to me it was either Mr. Alsop or the Generalissimo or Mme. Chiang or T. V. Soong.

Senator FERGUSON. Your message on what was said by the Generalissimo on this question of Stilwell when you were riding in the car and otherwise did not mention the Wedemeyer name?



Mr. WALLACE. No; it didn't mention the Wedemeyer name.

Senator FERGUSON. Would that not indicate that he did not mention it?

Mr. WALLACE. It does not necessarily.

Senator FERGUSON. You say you were rather accurate in taking that down at that time?

Mr. WALLACE. I said as fast as the speed of my pencil permits. I wouldn't claim I could take down everything that was said in a car going to the airport. I did it as fast as I could. That is, it is impossible to swear absolutely where I got the name Wedemeyer, but it would be my impression I got it from Alsop.

Senator FERGUSON. From Alsop?

Mr. WALLACE. Yes; but I do not exclude the other possibility.

Mr. SOURWINE. There is one thing that might help on that, Mr. Wallace, in line with Senator Ferguson's question. If you had asked the Generalissimo who he would like in place of Stilwell, that would have been something that you would have noted down because you would have had your pencil poised for it when you asked that question.

Mr. WALLACE. I am sure I did not ask a question of that sort of Chiang Kai-shek because I would have looked upon it as an exceedingly improper question to ask of the Generalissimo.

Senator FERGUSON. But, Mr. Wallace, you were asked to remove a man and the principal ground was that he did not agree with the Generalissimo, and now you are asking that that man be removed from his high position, a major general.

Mr. WALLACE. I wasn't asking that he be removed from his position as major general.

Senator FERGUSON. Major general in the theater.

Mr. WALLACE. That he be removed from his position of running things in China.

Senator FERGUSON. You are recommending a man to fill a position where you did not know whether or not he was in the good graces of the Generalissimo. Is that not a fact?

Mr. WALLACE. I state in my cablegram that I am informed he is persona grata with the Generalissimo.

Senator FERGUSON. Where did you get that information?

Mr. WALLACE. This is what it says in the cable.

While I do not feel competent to propose an officer for the job, the name of General Wedemeyer has been recommended to me and I am told that during his visit here he made himself persona grata to Chiang.

Senator FERGUSON. That indicates it was not your idea; somebody else recommended him?

Mr. WALLACE. That is right.

Senator FERGUSON. Where did you get the information he was friendly to the Generalissimo?

Mr. WALLACE. I have given you all the information I have and I can't give you any more.

Senator FERGUSON. Was it the same person who recommended him, would you say?

Mr. WALLACE. Not necessarily, but I just simply don't have further recollection. I can't say; I don't know.

Mr. SOURWINE. As a matter of fact, the only person whom Chiang indicated as perhaps acceptable in place of Stilwell was General Chennault, was it not?

Mr. WALLACE. You see, he wasn't asking for the replacement of General Stilwell. All these people were exceedingly proper.

Mr. SOURWINE. Of course.

Mr. WALLACE. And he wasn't asking for it, but he came as close to asking for it as he could and observing the ordinary diplomatic proprieties.

Mr. SOURWINE. He made it clear to you that he would like Stilwell replaced?

Mr. WALLACE. In interpreting diplomatic proprieties, he was obviously asking for the replacement of Stilwell, but he didn't do it.

Mr. SOURWINE. Did he not also come as close as he could within the proprieties to suggesting General Chennault as Stilwell's replacement?

Mr. WALLACE. It might be. As a matter of fact, it would seem to me from my cable that must have been true, because the first person that—well, I mentioned Chennault as the person who would naturally come to mind. I went into the question of Chennault as the man when I got there and, as I say, Mr. Alsop demurred.

Mr. SOURWINE. I realize that, but I was asking my question not on that basis, which is corroborative evidence, but on the basis of your own statement which shows that Chiang spoke to you of his distrust, if I may use that word, which is not perfectly descriptive of General Stilwell, and in the same breath, almost at the same time, the same occasion, praised Chennault. Since he was not directly asking for Stilwell's removal or replacement, did you not take it that his expressions with regard to Chennault in the same breath were an indication he would favor Chennault as the successor?

Mr. WALLACE. I undoubtedly did take it in that sense.

Senator FERGUSON. I just wanted to know if the Generalissimo recommended in effect Chennault.

Mr. WALLACE. Yes, I would interpret it that way, that he would have been very happy if Chennault could have been the man.

Senator FERGUSON. Yes, and then you were suggesting someone to be removed because he was not agreeable to the Generalissimo. Then on the say of Mr. Alsop—as I understand it, that was the only objection made to Chennault—you recommended another man whom you had not discussed or do not remember discussing with the Generalissimo. Is that a fair analysis?

Mr. WALLACE. No, I don't think it is an analysis.

Senator FERGUSON. What is wrong?

Mr. WALLACE. I make it very clear in the cable that Wedemeyer was persona grata with the Generalissimo. That is a very important point to observe. That is in the cable, that he is persona grata with the Generalissimo.

Senator FERGUSON. There are only three people you could have gotten that from, the Generalissimo, Mr. Alsop, or Mr. Vincent.

Mr. WALLACE. Or Mr. T. V. Soong.

Senator FERGUSON. T. V. Soong. Now can you recall where you got it?

Mr. WALLACE. I think the probabilities would be Mr. Alsop, but I can't swear to it.

Senator FERGUSON. The same man that recommended that they do not appoint his superior officer, who was Chennault at the time?



Mr. WALLACE. Mr. Alsop may have talked to General Chennault about it, but I don't know anything about that.

Mr. SOURWINE. Could it have been Mr. Vincent who first suggested General Wedemeyer's name?

Mr. WALLACE. My recollection would be that Mr. Vincent had nothing to do with that. My recollection is that he did not object to anything, of Mr. Wedemeyer's name.

Could I continue? I think you started out by saying that I would not be interrupted.

Mr. MORRIS. I am sorry; I thought you had finished the testimony.

Mr. WALLACE. No, I mean the reading of the testimony; Senator Ferguson was not here at the time, and the chairman suggested that I read through, and have these questions afterward.

Mr. SOURWINE. You have finished, have you not?

Mr. WALLACE. That is right; I have finished. I beg your pardon. Senator SMITH. There could be a second edition of that.

Mr. SOURWINE. Mr. Chairman, when the Senators are through questioning for a moment, I have a list of questions that will take about 10 minutes, that I would like to pursue.

Mr. MORRIS. May I introduce at this time the official Communist reactions to the removal of Stilwell? Would you consider that pertinent at this time?

Senator SMITH. Yes; unless what Mr. Sourwine had ought to come ahead of that.

Mr. SOURWINE. No; Mr. Chairman, the offer of it and the introduction makes no difference in regard to my questions.

Mr. MORRIS. Will you read the two reactions of the Daily Worker to the removal of Stilwell?

Mr. MANDEL. The New York Times registered the relieving of Stilwell on October 29, 1944. We thereupon looked through the Daily Worker subsequent to that. The first reference to the Stilwell recall occurs in the Daily Worker on November 1, 1944, on page 8, in an article written by Joseph Starobin who is the leading writer of the Daily Worker on foreign affairs, in a section headed "Stilwell's recall."

He says the following:

Stilwell's recall is sensational because it cracks open the dismal story of what has really been happening in China.

now, further, he says:

I disagree with Brooks Atkinson of the Times in only one respect.

on the same page of the Daily Worker is an article quoting Brooks Atkinson's reaction to the removal, and Brooks Atkinson is critical of the removal.

Now, this is the statement of Starobin in reference to Brooks Atkinson's article:

I disagree with Brooks Atkinson of the Times in only one respect. To him Stilwell's withdrawal was a mere negative action, leaving Chungking to stew in its own mess. But I see out of this negative act something basic and positive and decisive for all of Asia.

Then in the *Daily Worker*, somewhat later, is an article by Frederic Vanderbilt Field, dated December 2, 1944, on page 7, in his *Today's Guest* column. He says:

At the time of General Stilwell's recall, a press reported reliably, in my opinion, that the United States had conveyed to the Chinese Government three conditions for effective coalition warfare against Japan. These were, first, that the Chinese high command undertake a thorough reorganization of its armies in order to make them effective fighting units; second, that the military effort of the Kuomintang and Communist-led armies be unified and, third, that an American be named commander in chief of all allied forces in China. What is the status of these conditions—not ultimate, for coalition warfare? I believe that the first two remain intact and that progress is being made to carry them out. As to the third, we know only that there was a breakdown of the particular person nominated as commander in chief, General Stilwell, and that President Roosevelt wisely and quickly compromised on that point. There is no indication that the general proposition of an American commander has been refused.

Senator SMITH. Where is that from?

Mr. MANDEL. That is from the *Daily Worker*, December 2, 1944, by Frederick V. Field.

Mr. WALLACE. Gentlemen, I would like to make this comment, that any statement with regard to Stilwell, as far as I am concerned, should go back to the period with which I am concerned, which is in June of 1944, and not in October or December of 1944; that the Communist line changes very rapidly, indeed; that the Communist line—and I gather this not from the *Daily Worker*, but from a Washington paper quoting the *Daily Worker*—the Communist line in early 1944 was strong praise of the clear-headed men of Wall Street; so the line changed in many very unusual ways, and I would like to reserve the right to introduce into the record material which my counsel has found with regard to what the *Daily Worker* was saying at the period under consideration, which is June of 1944 and not October of 1944.

Senator FERGUSON. What is the date of that?

Mr. MORRIS. Those are a few days after the removal of Stilwell.

Mr. WALLACE. But you see, I was recommending Stilwell's removal in June of 1944, and it actually took place, not because of my recommendation, but for other reasons, in the late fall of 1944. I think, in view of these very rapid twists and turns in the Communist line, that it is important at this time, in view of the fact that this is introduced into the record that certain other material be introduced into the record that my counsel has found in the *Daily Worker*, earlier in the year.

I think it is important, in view of the many twists and turns that the Communists take to present not only one presentation—because you can get anything—you can get from the Communists this: That the Chinese Communists, that is, you can get from the top command in Russia, that the Chinese Communists, at this period, were brigands, robbers and Fascists, and that the only hope was in Chiang Kai-shek.

Now, the question is: When was that turn? It is an in-and-out proposition continually, all the time, and you cannot put your finger on them. You take just merely one of their presentations, it means nothing.

Mr. MORRIS. Mr. Wallace, you must admit the only time you get a comment on the removal of Stilwell was when he was actually removed.



Mr. WALLACE. With regard to that, I would simply say this: that at that time the war was coming to its concluding phase, that their supreme purpose was to do everything they could to save Russian lives. I think that was what animated the American Communists, was to save Russian lives; that in order to save Russian lives, they would go to very extreme lengths to promote the maximum unity and they might conceivably come out very vigorously, once it was a fait accompli, for what they previously opposed very, very strongly—and we will introduce evidence as to that—they did not want this, after it was a fait accompli, because they were so eager to save Russian lives, they would say “Yes, sure, this is fine.”

I think you have to keep this in mind in analyzing anything of this sort. It is the over-all picture, not isolated material which you can give out.

My attorney seems to be uneasy.

Mr. BALL. I was just going to suggest, in commenting on Mr. Morris' statement for the committee's benefit, that it is possible to find in the Daily Worker around about the time that Mr. Wallace was in China and when these decisions were made, so far as he was concerned, comments with respect to General Stilwell, and I think that the suggestion that Mr. Wallace made is a very valid one, that there was 5 months or more to intervene here, and it was very possible for the line to change materially.

But, in any event, we will submit the material.

Senator FERGUSON. Do you have it here?

Mr. WALLACE. We do not have it here, unfortunately, but we will be glad to give it to you.

Senator O'CONOR. It is a fact that there were publications to indicate that their policy was of a different nature, as of June or thereabouts?

Mr. BALL. There are publications which indicate a view of General Stilwell.

Mr. MORRIS. That is not the point. It is General Stilwell's removal, is it not, that we are talking about?

Mr. BALL. I do not think you can disassociate those questions.

Senator FERGUSON. Mr. Ball, do you contend that the Daily Worker—

Senator SMITH. Wait a minute. If you are going to examine Mr. Ball, should we not swear him? If his testimony is going on, should we not swear him?

Senator FERGUSON. It is just a statement. I do not care if you swear him.

Senator SMITH. All right; you may go ahead.

Senator FERGUSON. I just want to ask a question.

Is it your contention that the Daily Worker back in June was for or against Stilwell?

Mr. BALL. From the investigations that we have made, sir, it would indicate that they were in favor of General Stilwell. There is a reference—and I am sorry to speak without the material in front of me—but there is a reference where they refer to him, I believe, as “Our favorite American general.” There are one or two other references.

Senator FERGUSON. So back in June they were in favor of General Stilwell?

Mr. BALL. That would be the inference we would draw from it. But we will submit the material to the committee, and the committee can value it as it sees fit.

Mr. SOURWINE. I have no objection to its submission. But perhaps I should state for the record that the question of what the Communists thought of General Stilwell prior to the time of Mr. Wallace's recommendation cannot have very much to do with Mr. Wallace's state of mind at the time, since he has testified that he did not know at that time what the Communists thought of General Stilwell.

Is that not correct, Mr. Wallace?

Mr. WALLACE. That is correct.

Senator FERGUSON. I think that is true, that he did not know what they thought, at least, that did not influence you?

Mr. WALLACE. No; that did not have influence.

Mr. MORRIS. And may I point out that the issue is the removal of Stilwell, and not what the Communists thought of Stilwell.

Senator SMITH. Do you have some questions that you want to ask?

Mr. SOURWINE. If I might, Mr. Chairman, I do have some questions. I would like first to pick up the thread and find out what happened to Mr. Lattimore. Where was he when the Kuoming cables were written?

Mr. WALLACE. I don't know where he was. Maybe Mr. Alsop would remember. But he wasn't with us.

Mr. SOURWINE. We will ask Mr. Alsop when he comes on as a witness.

Mr. WALLACE. He may remember.

Mr. SOURWINE. Do you recall whether Mr. Lattimore absented himself from your party before you got to Kuoming?

Mr. WALLACE. I really don't know that. Usually he was with us, but he might, because of the fact that the OWI had an office in Chungking. He might have stayed over.

Mr. SOURWINE. He did come back with you in the same plane, though?

Mr. WALLACE. In the same plane, yes—and usually he was with us. But he did have some special duties in connection with the OWI in Chungking.

Mr. SOURWINE. I think you have testified that in regard to the Kuoming cables, you did not consult Mr. Lattimore and you do not think he knew about them?

Mr. WALLACE. That is correct.

Mr. SOURWINE. That is true; even though Mr. Lattimore was a man who had been praised to you by the President, whose choice for this mission to accompany you on this mission, you think was the President's initiation?

Mr. WALLACE. Yes.

Mr. SOURWINE. And you did not consult with him with regard to it?

Mr. WALLACE. No. The President's reference to him was as a specialist on this northern border.

Mr. SOURWINE. Yes.

Mr. WALLACE. And the tribes that wandered back and forth along that northern border of China. I did not look upon him as a political adviser, but merely as an adviser with regard to that one situation.

Mr. SOURWINE. You are primarily making the point, are you not,



that Mr. Budenz was wrong when he stated or implied that you were influenced by Communists on your mission?

Mr. WALLACE. Yes; I do so state.

Mr. SOURWINE. Now, there were only two men whom Mr. Budenz mentioned in that connection, were there not?

Mr. WALLACE. That is correct.

Mr. SOURWINE. Mr. Lattimore and Mr. Vincent?

Mr. WALLACE. That is right.

Mr. SOURWINE. With regard to Mr. Lattimore, the essence of your contention is that he could not have influenced you because he did not have anything to do with this matter, is that correct?

Mr. WALLACE. That is correct.

Mr. SOURWINE. Now, in regard to Mr. Vincent, are you willing to let the record stand as it is on the question of whether he influenced you in connection with these cables?

Mr. WALLACE. Yes; I think it is correct to let the record stand as it is.

Mr. SOURWINE. Do you have any personal knowledge as to whether Mr. Vincent is or was a Communist?

Mr. WALLACE. None whatsoever. That is, as I said in executive hearing, I am not here on behalf of any person, any organization, any party, or in criticism of any person, any party, or any organization. I am very glad to have no connection with any of them.

Mr. SOURWINE. I have a few questions which leave that point, Mr. Chairman, if I may be indulged for a moment.

Just running through this statement as it stands, first, Mr. Wallace, who, if anyone, helped you in the preparation of this statement that we have here?

Mr. WALLACE. This here?

Mr. SOURWINE. Yes; the one you offered and read today.

Mr. WALLACE. Well, I typewrote out the first draft of this myself up at the farm, and then I came down and yesterday went over it with Mr. Ball, and we spent, I would say, the greater part of yesterday working on it. I had, in my particular draft which I had made at the farm, I had not dealt with the material that was in the release of the other day, and so Mr. Ball and I addressed ourselves to the problem of combining the two, because we thought there should be introduced into the record only one statement, and not an effort to introduce the other statement which had been released to the press. That is the account of how this was formed.

Mr. SOURWINE. Did Mr. Alsop assist at all in the preparation of this statement?

Mr. WALLACE. No; in no way whatsoever.

Mr. SOURWINE. Did he see it before it was released?

Mr. WALLACE. Not so far as I know.

Mr. SOURWINE. In the previous statement that you had with you, which was denied admission, did Mr. Alsop assist in the preparation of that?

Mr. WALLACE. I don't know whether he did or not. Do you know?

Mr. BALL. No; we consulted him on questions of recollection. You consulted him and talked to him.

Mr. WALLACE. Well, now, I don't know whether it was on this occasion or not. I remember I was much interested at one time or another with Mr. Alsop in finding out just what became of these

Chinese generals, and this banker, and so on. I really had quite a curiosity about that, and I wanted to look into that.

Mr. SOURWINE. I wondered if you had asked Mr. Alsop's advice about the release, or about what should go into the release, or about the timing of the release, or anything of that nature?

Mr. WALLACE. I don't think so.

Mr. BALL. No; I will take the responsibility for that.

Mr. SOURWINE. Did you consult in connection with either of these two releases, or assist in connection with either of these two releases, assisted by anyone connected with the Institute of Pacific Relations, so far as you know?

Mr. WALLACE. No.

Mr. SOURWINE. Jumping to another point, you made the comment here a moment ago, some little time ago, when you were reading from page 7 of your statement, after you had read this sentence:

As the OWI representative on the mission, Mr. Lattimore was expected to assist our group in its relations with the press.

you had made the comment out of context of the statement: "that was in China, not in Russia."

Mr. WALLACE. Yes.

Mr. SOURWINE. Now, why did you make that distinction?

Mr. WALLACE. Just simply because there wasn't any press in Russia.

Mr. SOURWINE. They did not have newspapers?

Mr. WALLACE. Well, they had newspapers, but I mean it is senseless to think that anybody could contact the press in Russia, in the sense in which we think of press contacts in the United States. In China it was another matter.

Mr. SOURWINE. The press relations that Mr. Lattimore was handling, then, were with the local papers, and not with the papers back in the United States?

Mr. WALLACE. It was working through the local OWI office, as I remember it, with the Chinese press.

Mr. SOURWINE. The OWI did not have any office in Russia, did they?

Mr. WALLACE. I would be quite sure they did not.

Mr. SOURWINE. Do you know whether or not Mr. Lattimore spoke Russian?

Mr. WALLACE. As I testified in executive session, I think he spoke some, not much. I would call it archeological Russian. In one case, of rather stumbling along with Russian, it was with the director of an archeological museum, at Minisinsk, and I think what he did was to take a scientific word and put a "ski" on the end of it. But in the scientific realm it is quite possible, because there is a sort of international language there, if you have just a little fragment of information to get along. I don't know how well he spoke it, but that is the one time when I remember that he seemed to get something out of an old lady who was directing the museum.

Mr. SOURWINE. You do regard Mr. Lattimore as a scholar?

Mr. WALLACE. I do regard him as a scholar, and it may be that he knows Russian better than I think.

Mr. SOURWINE. Your statement about taking words and putting a "ski" on the end was a jest?

Mr. WALLACE. No; I mean to say that when you are dealing with scientific matters it is easier to get along than you realize.



Mr. SOURWINE. But Mr. Lattimore would probably have known the proper archeological terms for anything that he wanted to discuss?

Mr. WALLACE. I don't know as to that. But, at any rate, he seemed to get along with this old lady, after a fashion, and to tell us that this is from the Bronze Age, and so on.

Mr. SOURWINE. In your statment on page 10 you have this sentence at the top of the page:

With these thoughts in mind, I went on to Kuoming, where John Carter Vincent and I were the guests of General Chennault.

Where did you go to there from?

Mr. WALLACE. From Chungking. As I remember, we left there in the early afternoon and got there some time that same day.

Mr. SOURWINE. You mentioned that John Carter Vincent and you "were the guests of General Chennault." That seems to imply that Mr. Lattimore was not with you.

Mr. WALLACE. I just don't know. Mr. Alsop may have recollection on that point. I just don't know. It is just simply because of the fact that it was John Carter Vincent and I who had this conference with Alsop, and I don't know what happened to Mr. Lattimore at that time.

Mr. SOURWINE. On page 14 of your memorandum, sir, near the top of the page again, by coincidence, you say—

The best way to insure its ultimate collapse and a Communist take-over \* \* \* that is, the Chiang regime—

best way to insure its ultimate collapse and a Communist take-over, was to let it continue in its state of physical and spiritual anemia.

Now, by "physical anemia" I take it you mean lack of material, lack of supplies, and that type of thing?

Mr. WALLACE. Yes.

Mr. SOURWINE. And by "spiritual anemia" what do you mean?

Mr. WALLACE. I mean that as a result of this very great lack of supplies, as a result of their weak budgetary and currency situation, there was an enormous inflation which so deprived the ordinary leadership in a local way of the means of life, that they had lost, that they had become so preoccupied with the terrific problem of keeping alive that they were beginning to lose their will to fight. They had been in the war for 7 years, and the situation which these people, who ordinarily would be leading in the local community, had become so impoverished that the spiritual lifeblood had been veritably sucked out of China.

Mr. SOURWINE. You mean the whole thing, then, reverts back primarily to that lack of physical material?

Mr. WALLACE. There is always a relation between the spiritual and the physical which you cannot separate.

Mr. SOURWINE (reading):

The best way to insure its ultimate collapse and a Communist take-over, was to let it continue in its state of physical and spiritual anemia.

It was in recognition of this conviction, which I shared with almost anyone who knew anything about China at that time—

and so forth.

So I take it that it is a fair conclusion that it was your feeling that it was true that the best way to insure the collapse of the Chiang regime was to let that physical and spiritual anemia continue?

Mr. WALLACE. Yes.

Mr. SOURWINE. Now, what was there in your recommendations, in your July 10 report, which was designed to alleviate that physical anemia?

Mr. WALLACE. I don't remember. Have you got the July 10 report? I would say the chief thing probably had to do with—

Mr. SOURWINE. Were you recommending additional supplies to be furnished by us to the Chiang regime?

Mr. WALLACE. You might look over there and see whether it is in that report.

I can say this: that I had, before I went over there, and I am not sure whether I was able to follow this up afterward—I know I was able to, to some extent, later on—I had gone into the question of substituting C-54's for C-47's, because I had discovered that one C-54 would carry seven times as much goods as one C-47.

We had been using C-47's over the hump, and I had been informed that 1 month's output of C-54's in the United States would carry as much in the way of goods as the entire Burma Road.

Mr. SOURWINE. Pardon my interruption, sir; but, if you please—

Mr. WALLACE. And I had pushed on that particular front. Now, as I say, I don't remember to what extent I had pushed before I went over, or to what extent afterward. Is there anything in here on that?

Mr. BALL. Yes.

Mr. SOURWINE. Please.

Mr. WALLACE. Yes, sir; go ahead.

Mr. SOURWINE. Mr. Wallace, if you do not mind, instead of asking Mr. Ball if there is anything in it, we can refer to this—I want to make this clear, sir. I do not mean to contend about anything that you may have done before, but I am particularly interested in this particular time.

You have a paragraph here—it is your own voluntary statement—you have said that you felt that the best way to insure the ultimate collapse and a Communist take-over of the Chiang regime was to let it continue in its then—you have said—

it was in recognition of this conviction, which I shared with almost anyone who knew anything about China at that time, whether American or Chinese, that I set forth at the end of my July 10 report a "possible policy line relative to liberal elements in China."

I am trying to find out what there was in that possible policy line which was a recommendation by you for the alleviation of the Chiang regime.

Mr. WALLACE. Just a little earlier—I would call attention to this paragraph, that we should bear constantly in mind that the Chinese, a nonfighting people, have resisted the Japanese for 7 years; economic hardship and uninspiring leadership have introduced something akin to spiritual and physical anemia.

There is a widespread popular dislike for the Kuomintang Government. There is also strong popular dislike for the Japanese and the confidence in victory.

Mr. SOURWINE. Do you think that answers my question?

Mr. WALLACE. It didn't give a specific program with regard to C-54's.

Mr. SOURWINE. Did you hear the question, sir?



Mr. WALLACE. Yes; I heard the question. But this is, really, in the main, in the nature of a travelogue, and a suggestion for political action, and not a detailed—this particular report is not a detailed discussion of economic methods of alleviating the difficulty in China. I am not saying that this is the proper place to engage in that discussion. It was something that was close to my heart and on which I did take action. But it is not in this report to any greater degree than merely the recognition that there was an economic problem.

Mr. SOURWINE. Mr. Wallace, I have not picked out a portion of your report at random and asked you what was included in it. I am asking you about the portion of the report in which you, yourself, in your own statement, have directed attention, in connection with your statement, about what was the best way to insure the collapse of the Chiang regime.

Mr. WALLACE. I may say that I am very proud of this report.

Mr. SOURWINE. I am not attacking the report, sir. I am asking you, since you have said that it was in recognition of your conviction that the best way to insure the collapse of the Chiang regime was to let it continue in its then present state of physical and spiritual anemia—in view of that fact, and your statement that it was in recognition of that conviction that you set forth at the end of your July 10 report a possible policy line relative to liberal elements in China, what there was in that policy line, if anything, that was designed to relieve or alleviate the state of physical anemia?

Mr. WALLACE. All right. Let's read over this possible policy line:

Our policy, at the present time, should not be limited to support of the Government. It is essential to remember that we have, in fact, not simply been supporting Chiang, but a coalition headed by Chiang—

Mr. SOURWINE. From what are you reading?

Mr. WALLACE. Possible policy line relative to—

Mr. SOURWINE. From the end of your July 10 report?

Mr. WALLACE (reading):

but a coalition headed by Chiang and supported by the landlords, the warlord group most closely associated with landlords, and the Chiang group of bankers. We can, as an alternative, support those elements which are capable of supporting a new coalition, better able to carry the war to a conclusion, and better qualified for the postwar needs of China. Such a coalition was to be of progressive banking and commercial leaders of the K. P. Chen type, with a competent understanding, both of their own country and of the contemporary Western World; the large group of western-trained men whose outlook is not limited to perpetuation of the old landlord-dominated rural society of China; and the considerable group of generals and other officers who are neither subservient to the landlords nor afraid of the peasantry.

The emergence of such a coalition could be aided by the manner of allotting both military aid and economic aid and by the formulation and statement of American political aims and sympathies, both in China and in regions adjacent to China. The future of Chiang would then be determined by Chiang himself. If he retains the political sensitivity and the ability to call the turn which originally brought him to power, he will swing over to the new coalition and head it. If not, the new coalition, in the natural course of events, will produce its own leader.

This statement is a very clear cut answer to the question that you raise. While the point I was making about getting more C-54's on the run over the Hump, it would have been of some help, it would have been infinitesimal compared to the economic help that would have flowed from this recommendation here.

Mr. SOURWINE. That is what I wish you would explain, the economic help that would have flowed from this recommendation.

Mr. WALLACE. Yes. As a matter of fact, this was the only way in which you could get substantial economic help, because, and I call your attention—

the emergence of such a coalition could be aided by the manner of allotting both military aid and economic aid and by the formulation and statement of American political aims and sympathies, both in China and the regions adjacent to China.

Mr. SOURWINE. That is a statement. If you please, sir, at that point—is that not a statement that the method of allotting physical aid could help to bring about what you call a coalition government, a new group of some sort?

Mr. WALLACE. That is exactly the point that I am making.

Mr. SOURWINE. That is not the reverse, is it? That is not the statement that the new group will bring about more aid to China, is it?

Mr. WALLACE. Yes; definitely so, sir. And this I brought out in some detail in executive session. I would call your attention to that fact, that it would operate in this manner:

T. V. Soong apparently has lost out with Chiang and found himself in a very perilous position in late 1943 and early 1944, because he had been the spokesman of the Kuomintang in the United States, and Chiang thought that he had not been able to bring the help to China that he should have brought to China; that America had not brought the help to China, and, therefore, T. V. Soong was retired, practically, from circulation and was in a very perilous situation, indeed, so Ambassador Gauss told me.

So my proposition, as contained in the paragraph I have read, clearly amounts to this: that the United States, in allotting the aid, should build up the American-minded Chinese, the Western Chinese, so that we would raise, in the estimation of Chiang, and, simultaneously, you would have China getting goods, but getting goods in a way that would strengthen the pro-American element in the Kuomintang. That enlightened element was the only element in the Kuomintang that had the knowledge of modern industrial and financial forces, as they operate in the economic field, to solve the very serious problem in which the Generalissimo found himself.

I say that this is 100 to 1 compared with my other recommendation with regard to C-54's, important as that was.

Mr. SOURWINE. Do you think that this that you have read here, and which you are now discussing, is a recommendation for additional aid to the Chiang regime, additional material aid?

Mr. WALLACE. I do, sir.

Mr. SOURWINE. You did so intend it?

Mr. WALLACE. Yes, sir.

Mr. SOURWINE. Are you stating that you did not intend this as a recommendation or diversion of some of the aid that otherwise would go to Chiang to some new group?

Mr. WALLACE. No; this was to be Chiang heading the show, but a pro-American show, and not an anti-American show.

Mr. SOURWINE. Did you intend that some of the aid should be put at the disposal of Soong, so as to build him up?

Mr. WALLACE. I am just using that as an illustration.



Mr. SOURWINE. Did you so intend?

Mr. WALLACE. I would say he would be No. 1 on the list; yes.

Mr. SOURWINE. How would you have put the aid at his disposal? Did you have any thought about that?

Mr. WALLACE. It is one of those things that happened all the time in China, that that was the way you operated. That is all there is to that.

Mr. SOURWINE. I am not familiar with how things operate in China; that is why I am asking you, sir.

Mr. WALLACE. I am not an expert in the field, but it is quite a system over there.

Mr. SOURWINE. You did contemplate that the aid would be put at the disposal of Soong, and I presume others?

Mr. WALLACE. I would say pro-American Chinese.

Mr. SOURWINE. That is a label.

Mr. WALLACE. In the Kuomintang group.

Mr. SOURWINE. Yes; they were people who were not then in favor with Chiang?

Mr. WALLACE. They had fallen out of favor in late 1943 and early 1944.

Mr. SOURWINE. They were not in favor?

Mr. WALLACE. Not in favor.

Mr. SOURWINE. You were going to place at their disposal some of the aid available from America, instead of giving it to Chiang?

Mr. WALLACE. Is it the kind of thing that the State Department does all the time.

Mr. SOURWINE. Leaving that aside, it was the thing that you then were recommending?

Mr. WALLACE. Absolutely.

Mr. SOURWINE. You were going to divert a portion that would otherwise have gone to Chiang?

Mr. WALLACE. It is not "otherwise," it is the way the thing goes all the time. People under Chiang operated under this all the time. The question is, Who they would be.

Mr. SOURWINE. You were going to raise a group within the Kuomintang, who were at that time out of favor with Chiang?

Mr. WALLACE. That is right; a more liberal group.

Mr. SOURWINE. Or were placing available to them, or at their election, a portion of the aid that America could furnish?

Mr. WALLACE. That is my proposal; yes, sir.

Mr. SOURWINE. And are you testifying that it is your belief now, and it was your belief then, that was a recommendation for increasing the physical aid to China, the Chiang regime?

Mr. WALLACE. Yes; that is my contention, and if any real help was to be brought to China, it was very vital that that be done.

Mr. SOURWINE. And that is the only recommendation in here?

Mr. WALLACE. It is the all-important recommendation.

Mr. SOURWINE. That is the only recommendation in this portion that you have read here, this possible policy line, which you point to as a recommendation for alleviating the physical anemia of the Chiang regime?

Mr. WALLACE. That is the all-important recommendation, sir.

Senator SMITH. Is that all?

Mr. SOURWINE. That is all on that point. I have one or two more questions.

Have you testified, Mr. Wallace, that Mr. Alsop wanted you again and again to print the Kuoming cables, or to release them?

Mr. WALLACE. I don't know whether I testified that he did. I don't know whether "again and again" is specifically the right phrase, but several times he wanted me to release them.

Mr. SOURWINE. Did the question of releasing them on those occasions—was it raised by him or by you?

Mr. WALLACE. Well, in the first place, when I first got in touch—when Kohlberg wrote me, I think at this time I phoned Mr. Alsop and he said, "Well, why don't you release the whole thing?"

Mr. SOURWINE. Was that the first time Mr. Alsop had asked you to release them?

Mr. WALLACE. Yes; that is correct—in 1950.

Mr. SOURWINE. And subsequently, on other occasions, when he asked you to release them, had you called him to ask him about it as you did in the first case, or did he call you or bring it up with you?

Mr. WALLACE. The next time—the first time, Mr. Alsop had been in touch with me, or I had been in touch with him since I left Washington in 1946, was in 1950, on the Kohlberg thing. Then, did he call me or did I call him? I think he called me. Frankly, I have been testifying so long that I can't be sure. I just can't be sure. I mean, it is the kind of thing that, if I had some time off, I could verify it. But whether I called him or he called me, right at the moment I am just—

Mr. SOURWINE. But he did several times express the wish?

Mr. WALLACE. He expressed the wish, and in the first instance I passed on to him very much the same material I had passed on to Kohlberg. I had not, I believe, in 1950, passed on to him the material that I passed on to Kohlberg. He knew that I had done that with Kohlberg, and so I read to him over the telephone. He must have phoned me some time in early September asking if I could give him that letter, and I read it to him over the phone. I can testify under oath to this. I think that on that occasion the initiative did come from him.

Mr. SOURWINE. Now, Mr. Wallace, when you prepared the statement which you used in connection with the release of the Kuoming cables—that is, the statement that you sent to the White House—did Mr. Alsop assist you in connection with that?

Mr. WALLACE. Yes; to a degree he did. I had especially wanted to get in touch with Mr. Alsop with regard to the final outcome of some of the generals, how they had finally turned out. That was my big object in seeing Mr. Alsop. I saw Mr. Alsop on this occasion, and I may say that Mr. Alsop did not have the slightest notion that I was going to write it to the President.

What Mr. Alsop was advocating was a press release, I believe.

Mr. SOURWINE. Well, he was treating it as though it was not a restricted document, but one that you had a right to release directly.

Mr. WALLACE. Yes. Of course, in view of the lapse of time, I don't think there was any breaking of any code, and that is the only thing that the military was concerned with, I think.

Mr. SOURWINE. You felt that the lapse of time gave you the right to declassify it?



Mr. WALLACE. Yes. I felt that I would get in no trouble with it.

Mr. SOURWINE. Go ahead, sir.

Mr. WALLACE. I wanted to, if there was to be a press release, I wanted to get the benefit of Mr. Alsop's recollection, and again it was very much the same situation at Kuoming.

Mr. Alsop had a typewriter, and batting back and forth, with my taking the initiative—

Mr. SOURWINE. Did you come down to where he lives, or did he come up to where you live?

Mr. WALLACE. No; I came into New York. I met with him in some hotel where he had a room. I don't remember the name of the hotel.

Mr. SOURWINE. Who suggested the meeting and that you come up—you or he?

Mr. WALLACE. Well, I think that my guess is that he suggested it, but I wouldn't be sure. It might have been me, because I was very much interested in how these various names turned out. I didn't know. I had no idea, because I had not maintained, you might say, a close, intimate knowledge of China and the personalities of China after 1944. I had no idea how these names had turned out, and I know that Joe had maintained a very close and intimate relationship, and I very much wanted to talk with him about it. So it might have been my initiative. I might say at the moment I just can't say.

Mr. SOURWINE. Have you discussed—

Mr. WALLACE. That is my interest with regard to these names.

Mr. SOURWINE. Mr. Alsop, if I understand you correctly, initially was thinking in terms of a press release, and it was your idea that it should be sent to the White House?

Mr. WALLACE. It was completely and exclusively my idea that it be sent to the White House. I felt that that was the proper thing, that the reports had been submitted to the White House.

Mr. SOURWINE. When did he know that it was to go to the White House—after he got to New York or before he got to New York?

Mr. WALLACE. He very much wanted to know what I was going to do. I may say that the final draft I typewrote myself, to President Truman, and I typewrote it several times, I played with ideas of sending it elsewhere but finally decided on that. Joe did not know that I had decided on that, and he had asked me to phone him as to when I was going to release it.

So I phoned him and told him that I was going to send it to the President.

Mr. SOURWINE. In other words, what you had worked out with him, and what he had typed out at your dictation in this hotel room in New York was for the basis of a press release?

Mr. WALLACE. That is what he had in mind, and I revised it materially to put in letter form to President Truman.

Mr. SOURWINE. When you were dictating, you said it was just as to Kuoming. You were not dictating verbatim, word for word, but just the gist for the ideas that were to go down?

Mr. WALLACE. That is right.

Mr. SOURWINE. That is all I have on that subject. I will proceed to another subject, Mr. Chairman.

What was Mr. John Carter Vincent's position at the time he was designated by Secretary Hull to accompany you?

Mr. WALLACE. I think he was called head of the China Division in the State Department.

Mr. SOURWINE. He was a very important official in the State Department?

Mr. WALLACE. He was head of the China Division, which, in view of this trip, would mean that he was the top man.

Mr. SOURWINE. And he was thoroughly conversant with Chinese political problems?

Mr. WALLACE. I would assume he would be; otherwise he wouldn't be the head.

Mr. SOURWINE. He was recommended to you as such, let us say?

Mr. WALLACE. Yes.

Mr. SOURWINE. Now, Mr. Wallace, he was not——

Mr. WALLACE. He was assigned by the State Department, so I assume that he had their complete confidence.

Mr. SOURWINE. Why did the State Department assign him to you, sir; do you know?

Mr. WALLACE. I don't know the full sequence.

Mr. SOURWINE. I mean for what purpose was he assigned to you?

Mr. WALLACE. To accompany me on the trip.

Mr. SOURWINE. He was not just to be a bodyguard, was he?

Mr. WALLACE. No. I think in the first instance I wrote Cordell Hull in March asking him to assign somebody, and he spoke of Ambassador Gauss; and later Vincent, as head of the China Division, was assigned to go along with me.

Mr. SOURWINE. When you asked him to assign somebody, why did you want somebody to be assigned?

Mr. WALLACE. I had found that in traveling in a foreign country it is very useful in having somebody from the Washington office—that is, the headquarters in Washington—to make contacts with the American Ambassador in the field.

Mr. SOURWINE. Did you not want more than contacts? As a matter of fact, there are no tricks to this question. Did you not, as a matter of fact, want the best advice you could have, want somebody along that was more thoroughly familiar with the political situation?

Mr. WALLACE. Naturally I wanted to get all of the information I could.

Mr. SOURWINE. And it was for that purpose that Mr. Vincent was assigned, was it not?

Mr. WALLACE. You will have to ask the State Department on that.

Mr. SOURWINE. Did you not so assume?

Mr. WALLACE. I assumed he was conversant.

Mr. SOURWINE. Was he not there to be available for guidance if, as, and when you wanted it?

Mr. WALLACE. As I remember, in Secretary Hull's letter he urged me to rely on the guidance of Ambassador Gauss, as I remember it.

Mr. SOURWINE. He did not urge you not to rely on Mr. Vincent, did he? Nor imply it?

Mr. WALLACE. No; but he did mention Ambassador Gauss as the man to consult.

Mr. SOURWINE. Did you not feel that Mr. Vincent was there to give you such advice as you would ask for?

Mr. WALLACE. Undoubtedly. He was very helpful in many ways. He did accumulate a very great variety of material. As a matter of



fact, he sent over material to me before I went to China, and I might say of the whole range of the political spectrum.

Mr. SOURWINE. And did he not continue to give you——

Mr. WALLACE. He did not try to influence my judgment, to the best of my knowledge. What he did try to do was to get all kinds of material to me.

Mr. SOURWINE. I did not ask you the question. I ask you if he did not give you the benefit of his best judgment and of his knowledge whenever you asked for it?

Mr. WALLACE. He must have, but I don't remember. You would have to ask John Carter Vincent as to whether he gave me the advantage of his best judgment.

Mr. SOURWINE. Did you not ever ask him for anything?

Mr. WALLACE. I don't remember any specific conversations. I don't remember any specific conversations; no.

Mr. SOURWINE. All right, sir. We will pass that one.

This may seem somewhat off the course, but it is the last question I have to ask here, Mr. Chairman.

Do you recall, Mr. Wallace, ever making the point that the Mongols and the Chinese did not get along because the Mongols were livestock people and the Chinese were farmers?

Mr. WALLACE. It seems to me I made that statement somewhere; yes.

Mr. SOURWINE. It does not sound funny, does it? I notice that we had some laughs here; not by Senators, I might say.

Mr. WALLACE. No. Well, I guess the newspaper people are laughing because they think it is funny that farmers of different occupations should be fighting against each other; but it is true that that is a very ancient warfare between the nomadic livestock people and the settled agricultural people, and it was a key to a large part of what happened in that western part of China, and it was a key to endless political difficulties.

Mr. SOURWINE. Mr. Wallace, can you tell us where you got your information about the Mongols in that regard?

Mr. WALLACE. That information came from Owen Lattimore, sir. Owen Lattimore was a very great expert in that field. He spoke Mongolian, and he had walked over the ground himself on foot in Sinkiang, and his observations with regard to those nomadic peoples in their relationship to the settled peoples made complete sense to me because I knew analogous situations in this country.

Mr. SOURWINE. That is all, sir.

Senator SMITH. Have you something else?

Mr. MORRIS. No, sir.

Senator SMITH. Do you have anything?

Senator FERGUSON. I wondered, Mr. Wallace, if you have checked your statement, or any of your facts that you are giving us, with the State Department?

Mr. WALLACE. No; I have not been in touch with the State Department for any of this material.

Senator FERGUSON. Or with Mr. Vincent?

Mr. WALLACE. Nor with Mr. Vincent.

Mr. MORRIS. Mr. Ball, if you will have the evidence relating to the Communist reaction to Stilwell's removal, we will have that in evidence.

Mr. BALL. We will try to send it.

Senator FERGUSON. I understand that that is on the point of what they thought of Stilwell rather than on the question of the removal in June.

Mr. BALL. That is what I understand. We may not be able to have it the first thing in the morning, because we have to have photostats of the material made.

Senator FERGUSON. How do you contend that that is in point here?

Mr. BALL. Because obviously the only contemporaneous evidence in June as to what their reaction toward Stilwell's removal at that time might be must necessarily be what they thought of Stilwell at that time.

Mr. MORRIS. That is not the issue. The Daily Worker indicated there that the question was a compromise. I think everyone grants that the Communists favored General Stilwell.

It is whether or not a recommendation and a concurrence of his removal was an anti-Communist act. That is the heart of the issue, Mr. Ball, and that is the evidence we would like to have.

Mr. BALL. I would suggest this, if I may, to the committee: that we submit the evidence, and it may be that we would like to submit at that time a memorandum pointing out the relevancy.

Mr. WALLACE. I would express the hope that you would see fit to include it even if you yourself may register a dissent as to the relevancy.

Mr. MORRIS. I want you to send it in.

Mr. BALL. We will probably not be able to do that until sometime late tomorrow afternoon.

Mr. MORRIS. That is all right.

Senator SMITH. Do you think that will be very voluminous?

Mr. BALL. Not very voluminous.

Senator FERGUSON. You will photostat that?

Mr. BALL. Yes; we will photostat the articles.

(The material referred to is as follows:)

CLEARY, GOTTLIEB, FRIENDLY & BALL,  
Washington, D. C., October 24, 1951.

Senator PAT MCCARRAN,

*Chairman, Judiciary Committee,*

*United States Senate, Washington, D. C.*

DEAR SENATOR MCCARRAN: When Mr. Henry A. Wallace last appeared before the Subcommittee on Internal Security on October 17, 1951, some question was raised as to the attitude taken by the Communist press in the United States toward the dismissal of General Stilwell from command in China. At that time I offered to produce for the attention of the subcommittee extracts from the New York Daily Worker, showing how highly the Worker valued General Stilwell. As I remember, I expressed the belief that those extracts would date from June 1944, which was the approximate time of Mr. Wallace's visit to China and of his cabled recommendation to President Roosevelt that General Stilwell be replaced or removed from control of political matters connected with Chiang Kai-shek.

I now find, however, that my recollection was in error and that there were no significant references to General Stilwell in the Worker until his dismissal, which occurred late in October 1944. The references to him in November 1944, do, I believe, sustain the view that the initial reaction of the American Communists to the news of General Stilwell's dismissal was one of shock and dismay, which they subsequently moderated in order to make the best of a bad situation. On reading the record of the testimony given by Mr. Joseph Alsop before your



subcommittee on October 18, 1951, in open session, I find that the relevant articles from the Worker were offered by Mr. Alsop in the record, namely :

November 1, 1944, page 6, article by Starobin : Record, page 2839.

November 1, 1944, page 8, quotations from Atkinson : Record, page 2839.

November 4, 1944, page 8, article by Starobin : Record, page 2841.

November 4, 1944, page 9, article by Field : Record, page 2841.

November 5, 1944, page 4, article by Allen : Record, page 2841.

November 5, 1944, page 8, article by Browder : Record, page 2841.

As these articles already have been pointed out to the subcommittee, no purpose would be served by our submitting them again. I understand that you have available to you the issues of the Worker for that period, including the full text of these articles as well as several others relating to General Stilwell's recall. Mr. Morris, counsel for the subcommittee, referred to certain portions of the November 1 article by Starobin and of the December 2 article by Field as "the official Communist reactions to the removal of Stilwell" and "the two reactions of the Daily Worker to the removal of Stilwell" (pp. 2650 and 2651, respectively, of the typewritten record). Any implications from this that those two fragments were the only Communist "reactions" would appear to be erroneous, since they must be considered in their context and together with such other articles as Starobin's and Field's on November 4, 1944, and Allen's and Browder's on November 5, 1944, as cited above.

In the course of these hearings it has been suggested that Amerasia may have reflected the Communist line. While we have no independent information on this question the committee may, in the light of these accusations, be interested in an article in Amerasia dated November 17, 1944, entitled "Stilwell's Recall." In particular, I should like to draw the attention of the subcommittee to the last page of the article (331), in which the editors of Amerasia, after setting out what they believed should be the objective of the United States in China, wrote as follows :

"These are the objectives of America in China. They are the objectives of all liberal forces in China that have repeatedly urged Chiang Kai-shek to take the lead in forming a genuinely representative government in order that Chinese unity may be strengthened and that China may play a major part in the final and decisive offensive against Japan and thus insure for herself a powerful voice at the peace table. Finally, these are the objectives for which General Stilwell worked unceasingly during his 2 years of service in China. It may be that he did not always present his case with the greatest possible tact, since he was notably a 'direct actionist' and plain speaker rather than a diplomat. But there is no question that he fought consistently for the best interests of both the American and the Chinese people, *and that his departure was deeply regretted by all those Chinese leaders who have been working for a more liberalized regime.* No man has displayed greater confidence in the abilities of the Chinese people and their armies, given proper training and equipment. No man has shown a stronger conviction that the Chinese themselves must be helped to play a leading role in winning their own war of national liberation. The American Government could pay no better tribute to the Chinese people, and offer no more convincing proof that it had their best interests at heart, than to place General Stilwell in command of the American forces that will ultimately land on China's shore to drive the Japanese from the continent of Asia." [Italics added.]

Sincerely yours,

GEORGE W. BALL.

[From Amerasia—a Fortnightly Review of America and Asia, November 17, 1944]

#### STILWELL'S RECALL—THE FUTURE OF AMERICAN-CHINESE RELATIONS

The recall of Gen. Joseph W. Stilwell from the China-India-Burma front and the resignation of the American Ambassador to Chungking, Clarence E. Gauss, have served to focus widespread American attention on the serious internal situation in China. In the flood of newspaper and radio comment evoked by Stilwell's recall, the general American public has for the first time been made thoroughly aware of the darker side of the picture as far as China's political and military situation is concerned—a side long familiar to close students of the far-eastern situation.

It was unfortunate that much of the publicity accorded to the return of General Stilwell and Ambassador Gauss made it appear that some sudden and disastrous crisis had arisen in China. And it was also unfortunate that some opponents



of the administration seized upon the Stilwell incident as proof that the Government was pursuing a dangerous and ill-conceived policy in China. Senator Robert Reynolds, for example, accused the Government of playing two Chinese factions "against the middle." Other antiadministration spokesmen sought to put the blame on the shoulders of Harry Hopkins who was accused of interfering with the efforts of Donald Nelson and General Hurley to persuade Chiang Kai-shek to adopt measures for strengthening China's participation in the war. Even Congressman Walter H. Judd, a long-time advocate of American-Chinese friendship, promptly charged without qualification that Stilwell had delivered a White House "ultimatum" to the Generalissimo which demanded that Stilwell be made commander of all Chinese armed forces, and that consequently Chiang Kai-shek very justifiably "blew up" and demanded Stilwell's recall.

Perhaps the most amazing examples of unsubstantiated reasoning on the question of American-Chinese relations appeared in the November 13, 1944, issues of both *Time* and *Life*. We recommend to the editors of these magazines that they reread their own editorial comment in the May 1, 1944, issue of *Life*, containing the following: "The first-hand report on China by Theodore H. White, which begins on page 98 of this issue of *Life*, will shock a great many Americans. It will especially shock those \* \* \* who think of China solely in terms of her charm, eloquence, and idealism. \* \* \* The White report is not just a muckraking job. It is a balanced attempt by an able journalist who loves China, to give a true picture of China and its government today. \* \* \* Perhaps the most disturbing thing about White's report is the bitter chauvinism it reveals in high quarters in Chungking. National unity has long been China's greatest need. \* \* \* But some Chinese have perverted it into a bitter contempt for all foreigners. \* \* \* We need China because she is a great potential force for freedom and democracy in Asia. If China should cease to be that, and go the way Japan went, we could not long stay friends. \* \* \* The United States cannot ignore the fact that if China's government should become a fascistic, power-hungry, repressive, landlord's-and-usurers' government, it is all too likely to get into trouble with Russia; whereas a government which stands for freedom, reform, and international cooperation is not. Under no circumstances would the American people ever wish to be embroiled with the Soviet Union in a struggle in which they would feel politically on the wrong side. But the freedom-loving, progressive China which some of her leaders are still trying to bring to birth would merit our support against the world. And it would need very little of it, for it would have the support of every other peace-loving nation in the world."

Such a statement as the foregoing is in startling contradiction to the opinions expressed in the pages of the same magazine of November 13, 1944. We know of no facts that could justify such a sharp reversal. On the contrary, during the intervening period an impressive number of foreign correspondents, American military and political observers, as well as returned civilians have uniformly added evidence that gives overwhelming support to Theodore White's May 1944 analysis and *Life's* editorial comment on it in the same issue. What has happened between May and November? Not even the editors of *Life* and *Time* can play with impunity with news and comment that is not supported by even a semblance of fact. They owe it to their readers and to the American people as a whole to print the facts on which they base their change of reasoning and conclusions. Otherwise, it will be easier to give credence to Drew Pearson's report published in his column of October 15, in which Roy Larsen of *Time* is reported "to be preparing to continue it [*Time's*] Russia-baiting policy, launched recently with the attacks on Russia by ex-Ambassador Bullitt." According to Pearson: "Word of this leaked out over a couple of highballs in a Washington hotel recently when *Time's* copublisher Roy Larsen conferred with War Production Board officials \* \* \* of the paper branch. In a talkative mood, Larsen expounded *Time's* plan to go out against Stalin and his reds." Such strategy would fit well into Chungking's own aim of alienating the Soviet Union at all costs from America and Great Britain in all matters pertaining to the Pacific and Asia.

To return to discussion of Stilwell's recall and the crisis in the American-Chinese relations, all the facts in the case substantiate the conclusion that it was not provoked by tactless and unskilled diplomacy on the part of the American Government. Actually, as most of the thoughtful newspaper comments pointed out, the situation in China that led up to General Stilwell's recall was not a new development, nor was it the product of unwarranted American interference in China's internal affairs. At the risk of repeating much that has already appeared in the pages of *Amerasia*, it is necessary to reexamine briefly the situation with which General Stilwell was confronted.



Since 1940, a process of economic and military deterioration had been going on in China that had seriously undermined her powers of resistance. In part, this deterioration was the result of conditions that were beyond China's power to control: the capture or destruction of her industries and railways, the blockade of her ports that cut her off from all sources of outside aid except that which could be flown over the "hump," the hideous devastation wrought by a brutal and ruthless enemy, coupled with the ravages of famine and disease, the skyrocketing inflation resulting from the acute shortages of all forms of goods. But this deterioration was also due in large measure to the fact that control of the Chinese Government was monopolized by a small ruling clique representing the most conservative wing of the Kuomintang, China's only legal party. This clique derived its power from the feudal-minded landed gentry who were chiefly concerned with preserving the outmoded and oppressive agrarian system that was their only source of power. Hence their spokesmen in the Government were opposed to the extension of political democracy, to the development of free industrial enterprise, and to reforms in the system of land tenure and taxation. In other words, their desire to maintain a monopoly of political and economic power made them adamant opponents of all measures that might have served to mobilize the united support of the Chinese people in the war against Japan.

The methods used by the ruling clique to suppress all political opposition are now common knowledge, thanks to the detailed reports of such able observers as Brooks Atkinson of the *New York Times* and many others: the widespread use of secret police, the refusal to initiate democratic procedures, the suppression of freedom of speech and of the press, the toleration of hoarding and speculation on the part of the influential landlords and merchants, and the failure to make effective use of even the limited supplies of materials and machinery available in order to increase production. Mr. Atkinson describes the present regime in Chungking as "a moribund antidemocratic regime that is more concerned with maintaining its political supremacy than in driving the Japanese out of China," and this opinion, which is shared by many other competent observers, does much to illuminate the basic cause of General Stilwell's inability to cooperate effectively with the Chungking Government.

In the military sphere, for example, the reluctance of the Chungking regime to undertake real popular mobilization, which would have required far-reaching economic and political reforms, was reflected in a corrupt and tyrannical system of conscription and the shocking maltreatment of many of the Government's armies. Peasants were forcibly seized from their homes or fields and impressed into military service, while those with sufficient funds or political influence could easily buy immunity. The troops were very poorly fed, with the result that in many cases they were compelled to plunder and pillage the areas in which they were billeted. As a consequence of this maltreatment as well as the poor quality of much of China's military leadership, the morale of the armies deteriorated rapidly while the relationship between the troops and the civilian population in some areas actually reached the point of open conflict.

A number of important battles were lost in China as a result not only of the Government's failure to supply the troops with adequate food or munitions but also because of the active hostility of the peasants in the combat areas. During the Honan campaign earlier this year, for example, when an estimated 50 to 75 thousand Japanese troops defeated and completely annihilated 700,000 Chinese troops under the command of General Tang En-po, the peasants had been so enraged by the ruthlessness with which Tang En-po's troops had collected rice during the famine years that when the Japanese launched their attack against Honan they organized guerrilla bands under the slogan "better the Japanese than Tang En-po" and disarmed and sometimes killed many of their own soldiers.

In addition to the generally lowered morale of the underfed, ill-equipped Chinese armies and their failure to win the support of the civilian population, China's military operations were still further handicapped by the military blockade against the guerrilla areas of north China by approximately half a million of the government's best armed and best trained troops. This blockade, in effect since early in 1940, was perhaps the outstanding single piece of evidence that the Chungking regime was thinking more of preserving its political and military power after the war than of driving the Japanese out of China. The Chinese guerrillas, under the leadership of the Eighth Route Army, had done a remarkable job in mobilizing the people for active resistance and



preventing the Japanese from establishing effective control in the areas that their armies had overrun. Cut off from all sources of outside aid, including the rest of Free China, and forced to depend almost entirely on munitions captured from the Japanese, they had managed to establish Chinese Governments behind and between Japanese-held communication lines and garrison centers, and to enlist the support of millions of partisan fighters and civilian militia.

The success of the guerrillas, however, was based on a program of popular education and political and economic reform that was anathema to the Chungking bureaucrats because it involved democratic political procedures and agrarian reforms designed to improve the condition of the peasants. All foreign visitors to the guerrilla areas have testified to the fact that this program was in no sense Communist, even though the Chinese Communist Party had taken the lead in its formulation. On the contrary, they have reported that the guerrilla leaders have no intention of seeking to establish a Communist system of government in China, that they are completely loyal to the ideal of a national united front with the Kuomintang and other political groups, that they recognize the leadership of Generalissimo Chiang Kai-shek, and that their program is designed simply and solely to enlist the support of all sections of the population in the war for national independence and to lay the basis for the development of a democratic and economically progressive nation after the war.

But to the landlords and bureaucrats controlling the Chungking regime, it was obvious that the extension of such reforms throughout China would mean the end of their monopoly of power. In their view, the growth of the guerrilla forces to some 500,000 regular troops supported by 2,000,000 partisans and hundreds of thousands of civilian militia did not represent added strength in the war against Japan but a serious menace to their own power in the postwar period. They therefore rejected all appeals from the border-region governments for the formation of a coalition government under the leadership of Chiang Kai-shek, for a genuine mobilization of the Chinese people, and for a united effort on the part of all China's armed forces against the Japanese. Instead they maintained a rigid blockade of the guerrilla areas and began to save up munitions, supplies, and troops for a final show-down with the Communists after China's allies had attended to Japan's defeat.

#### STILWELL'S STRATEGY

It was this situation that confronted General Stilwell when he arrived in China in the spring of 1942 to take up his duties as chief of staff to Chiang Kai-shek and commander of American forces in the China-India-Burma theater. Stilwell had previously spent more than 10 years in China. He had taken the trouble to learn no less than 11 Chinese dialects. He knew and admired the Chinese people. He was also convinced that the Chinese armies could and should be trained and equipped to play a major role in the defeat of Japan on the Asiatic Continent. In his view this strategy would not only be the quickest and most effective method of achieving an Allied victory against Japan but would also serve to unite and strengthen China so that she would be able to play her rightful part as one of the four leading powers in the postwar world.

Starting from this initial premise that the Chinese armies must be aided to play a more active part in the campaign against Japan, Stilwell's main objectives were (1) to see that the best possible use was made of the limited resources that China possessed, and (2) to get more supplies into China by reopening a land route through Burma. From the outset, however, he encountered serious obstacles—the principal one being the fact that the Chungking Government had no desire to risk its armies in battle against the Japanese because it wished to save them to insure its political power after the war. For this reason Chinese officials were far more inclined to favor the strategy advocated by General Chennault, commander of the United States Fourteenth Air Force. Chennault and his fliers were naturally heroes to the Chinese for their work in defending Chungking and other Chinese cities from Japanese bombings, their amazingly effective air support of Chinese troops, and their attacks on Japanese shipping and communications. An additional source of their popularity, however, was the fact that Chennault believed that the main effort against Japan in China should be made by air power, and therefore that the greater part of the limited supplies reaching the China theater should be used to strengthen his air force. All he asked of the Chinese was food and airfields, and he did not concern himself specifically with the use which the Chinese made of their land forces. This strategy of relying on American air power to do the job of defeating Japan in China was, of course, entirely agreeable to the Chinese Government and received its full support.



Better to retain control of a devitalized and weak China, protected by a ring of American bombers, than to risk losing control of a strong and united nation exerting all its energy in freeing itself from its enemy. Such are the mental operations of a landed bureaucracy fearful of losing power and distrustful of its own people.

General Stilwell, on the other hand, believed that it was essential to improve China's combat efficiency, reopen a road through Burma, and get China back into the war as an effective fighting force. He viewed this as a purely military problem, but it immediately compelled him to cope with delicate and complicated political issues. In his efforts to develop the Chinese armies into an efficient and unified fighting force, he was confronted with the fact that supplies intended for the fighting fronts were being diverted to the troops blockading the guerrilla areas or were being hoarded for future use. The blockade itself prevented American forces from making use of the highly strategic areas controlled by the Chinese guerrillas and also served to immobilize large numbers of Chinese troops that might otherwise have been fighting Japan. Stilwell was also handicapped in his efforts to reopen a supply route through Burma by the failure of the British to undertake a large-scale amphibious campaign or to give full support to his proposed land offensive.

The failure to undertake amphibious operations against Burma was generally attributed to the lack of adequate shipping and naval strength, but it was also known that the British authorities were not overly enthusiastic about Stilwell's idea of a land offensive because they did not want to take Burma back with the aid of the Americans and Chinese nor, for that matter, with the aid of the Burmese, factors that would lessen British prestige and encourage Burmese nationalist sentiment. British strategy was reported to call for the defeat of Japan by naval and air power first and then the recovery of Japanese-occupied territories without disturbing the internal political situation in those areas more than was absolutely necessary. But despite the lack of British encouragement General Stilwell fought his way back into Burma with the small American-Chinese force which he had trained and equipped in India, thus demonstrating his contention that the defeat of Japan by land was feasible.

General Stilwell was fully aware, however, that the internal political situation in China constituted the most serious obstacle in his aim of revitalizing the Chinese armies as an effective fighting force. He recognized also that unless the internal disunity that was hamstringing China's war effort was replaced by a genuinely united effort, the war against Japan would be greatly prolonged and lives of thousands of American soldiers needlessly sacrificed. Consequently, he had no alternative but to put the issue squarely up to Chiang Kai-shek as the head of the Chinese Government and the acknowledged leader of all parties and groups in China.

Thus General Stilwell continued to urge that all China's fighting forces—the guerrillas as well as the Central Government's troops—be united in a single striking force against the Japanese; that the blockade against the strategic guerrilla areas be lifted; that the United States be permitted to supply the guerrillas with a minimum of equipment, and that steps be taken to establish air bases in the guerrilla areas. In the political field, Ambassador Gauss also urged the need for establishing unity and for measures to counteract the growing opposition to the Chungking regime that was developing throughout free China as a result of the Government's dictatorial and repressive policies. The Ambassador is reported to have suggested to Chiang Kai-shek that one means for allaying this popular discontent and providing the basis for a united war effort would be the establishment of a representative war council in which all groups would share responsibility for the conduct of the war. This proposal, which seemed like a very workable compromise between the Yen-an demand for a genuinely representative coalition government and the Kuomintang's insistence on the maintenance of one-party rule, was at first looked upon favorably by Chiang Kai-shek but was later rejected.

These negotiations between Stilwell and Gauss on the one hand and the Generalissimo on the other continued for almost 2 years, and a good deal of personal bitterness was inevitably engendered in the process, as the requests of the two American officials were repeatedly refused and Chiang Kai-shek came to feel that the American Government was attempting to dictate Chinese policy. Finally, an impasse was reached when it became obvious that it would be futile for either of the two men to continue their efforts in the face of adamant opposition. General Stilwell was then recalled and Ambassador Gauss' resignation was accepted.



## AMERICAN AIMS IN CHINA

It must be emphasized, however, that these two events do not mark a change in American policy, nor do they prove that the United States Government is now tacitly acquiescing in the existence of a regime in Chungking that does not represent the Chinese people and that pursues policies that are detrimental to their interests as well as to our own. The American Government for some time has been eagerly hoping for a change in the internal situation in China that would place Chiang Kai-shek at the head of a united nation, that would strengthen China's fighting powers, and that would enable her to emerge from the war a strong and prosperous nation on which we could pin our hopes for enduring peace in the Far East. To explore the possibilities of such a change, such eminent administration spokesmen as Vice President Henry Wallace, War Production Chief Donald Nelson, and Maj. Gen. Patrick Hurley visited China as the President's personal representatives. Mr. Wallace expressed, as clearly as he could under the circumstances, the desire of the American people for a strong, united, and democratic China, and specifically called attention to the fact that no country "can be industrially sound or strong unless both its agricultural technique and the agricultural part of its society are progressive and prosperous"—a statement which may be construed as a direct criticism of the economic policies of the Chungking regime.

Similarly, the chief purpose of Mr. Nelson's visit was to put the following propositions before Generalissimo Chiang Kai-shek: that the American Government is eager to have China emerge as the leading power in Asia and is prepared to give China extensive assistance in achieving this goal; that America hopes to see Chiang Kai-shek as the leader of this new and powerful China; and, third, that American aid in achieving this position of primacy for Chiang Kai-shek in China and for China in Asia must of necessity be contingent on a thoroughgoing house cleaning in Chungking. Mr. Nelson apparently did not go into the political aspect of this last condition but is reported to have indicated to Chiang exactly what was meant as far as China's industrial organization was concerned. Previous to conferring with the generalissimo, Mr. Nelson inspected Chinese industries in and around Chungking. On the basis of these observations, he concluded that the Chinese were making only partial use of the industrial equipment they already possessed and that a higher rate of production had not been achieved because of inefficiency, nepotism, and factional disputes between various cliques within the Kuomintang. Mr. Nelson reported these conclusions to the generalissimo and declared that China could not expect any industrial equipment from the United States so long as she was not making effective use of what she already had. Chiang Kai-shek expressed amazement at Mr. Nelson's findings and invited him to return to China as head of a newly established Chinese War Production Board.

General Hurley's activities in Chungking have been less publicized, but it is understood that he is working on the military aspect of the situation, presumably with a view to persuading the Generalissimo of the importance of more active Chinese participation in the war. The fact that General Hurley is still in Chungking and that Mr. Nelson is returning shortly accompanied by a group of experts in iron and steel production to aid in organizing a Chinese War Production Board and stimulating Chinese industrial production is sufficient proof that, though in one sense General Stilwell's recall represents a crisis in American-Chinese relations, it is not the disaster that some commentators have made it out to be. It could only become a disaster if we allowed it to develop into a wholly unwarranted anti-Chinese feeling in this country, overshadowing the great debt which we owe to the Chinese people for their continued resistance to our common enemy against far greater odds than we have ever been called upon to face. Any wholesale condemnation of the Chinese would simply play into the hands of those in the United States who favor a soft peace with Japan on the grounds that Japan must be maintained as a balancing force in the Far East, and who make good use of Chinese weakness and disunity to support their argument.

It is true, of course, that Mr. Nelson and General Hurley are confronted with the same difficulties that faced General Stilwell and Ambassador Gauss. Unless Chiang Kai-shek can be persuaded to broaden the political basis of his regime, they will have to work within the existing bureaucratic framework and will be faced with the same political obstacles.

It is reported, for example, that Mr. Nelson intends to recommend the appointment of Tseng Yang-fu as head of the proposed Chinese War Production Board.



Mr. Tseng, a graduate in engineering from the University of Pittsburgh, has been Minister of Communications in the Chinese Government and has been officially responsible for the construction of airfields in China. He is also, however, a classmate of Chen Li-fu and a prominent member of the highly reactionary CC clique. One may legitimately ask how a program of increased industrial production can be effectively carried out by a leading member of a bureaucracy that has for so long deliberately stifled such efforts.

But despite these difficulties Mr. Nelson's return to China holds out the promise of an improvement in the basic situation that has disturbed American-Chinese relations. For it is certain that a determined effort to stimulate industrial production and curtail hoarding and speculation in essential raw materials would do much to revive Chinese morale, check the disastrous spiral of inflation, and break the paralyzing grip of the landed bureaucracy. It is to be hoped that in addition to this measure on behalf of strengthening China's economic structure, the American Government will send as our new Ambassador to China a high-ranking diplomat of proven ability who will be able to contribute to a solution of the Chinese political crisis by convincing the Chinese Government that, on the one hand, we recognize China as an important independent power and that, on the other, it is in China's interests as well as our own that she should participate more actively in the forthcoming offensive against Japan.

The United States has no desire to dictate to the Chinese Government. We owe a great debt to China because despite all hardships and handicaps she has steadfastly refused to seek peace with Japan. We have no ulterior designs on China; all we want is that China shall emerge from this war a free, strong, and friendly ally. But it is clearly the responsibility of the American Government to do everything possible to ensure a speedy end to the war in Asia and to make certain that the lives of American soldiers are not needlessly sacrificed. When American forces eventually land on the coast of China, for example, it is imperative that they find a friendly population, able and willing to give them strong support. It so happens that the Chungking government at present has no control over these coastal areas, but that the Chinese guerrillas have. Similarly, if our Air Force in China is to operate effectively against Japanese industrial centers in Manchuria and north China, it must have the use of bases in the guerrilla-controlled areas in the north.

It is for this reason that American officials in China have urged and must continue to urge that some compromise be reached between the guerrilla forces and Chungking that will enable American arms and technical aid to be supplied to all sections of China's fighting forces. It is for this reason that we may be compelled to supply aid to the guerrillas, even without Chungking's approval, if no such compromise is forthcoming. It is for this reason that we cannot allow American supplies to be hoarded for use in a future civil war.

The task of the American Government is to persuade Chiang Kai-shek to respond to the unanimous demand of all non-Kuomintang groups in China that he become the leader of a genuinely united China instead of ruling in the name of a single party. The New York Times in a recent editorial summed up the hope of all sincere friends of China when it declared that, while we must and should accept Chiang Kai-shek as the acknowledged leader of China, we can and should "make it clear to Chiang that his prestige will be enhanced, not diminished, if he takes certain steps: If he accepts American military guidance in return for American military help; if he throws the whole weight of his armies against the Japanese instead of holding a great part of them inactive or on guard duty against his political opponents; if he makes a genuine truce with the Chinese Communists; if he consents to take into his Government members of the representative groups and parties; and if he permits the freedom of the press and of discussion which is the only possible basis for the democracy to which he has again and again pledged himself. \* \* \* Peace in the Orient without a stable and prosperous China is unthinkable. But it is time to speak frankly in the interests of that stability, that prosperity, and the freedom without which neither can be attained."

These are the objectives of America in China. They are the objectives of all liberal forces in China that have repeatedly urged Chiang Kai-shek to take the lead in forming a genuinely representative government in order that Chinese unity may be strengthened and that China may play a major part in the final and decisive offensive against Japan and thus insure for herself a powerful voice at the peace table. Finally, these are the objectives for which General Stilwell worked unceasingly during his 2 years of service in China. It may be that he did not always present his case with the greatest possible tact, since he was notably



a direct actionist and plain speaker rather than a diplomat. But there is no question that he fought consistently for the best interests of both the American and the Chinese people and that his departure was deeply regretted by all those Chinese leaders who have been working for a more liberalized regime. No man has displayed greater confidence in the abilities of the Chinese people and their armies, given proper training and equipment. No man has shown a stronger conviction that the Chinese themselves must be helped to play a leading role in winning their own war of national liberation. The American Government could pay no better tribute to the Chinese people and offer no more convincing proof that it had their best interests at heart than to place General Stilwell in command of the American forces that will ultimately land on China's shores to drive the Japanese from the continent of Asia.

Senator SMITH. Otherwise it might be possible to just flood the record.

Mr. BALL. No; it will be quite factual.

Mr. WALLACE. I hope I will be absolved of any guilt of an endeavor to flood the record today.

Senator SMITH. Do you have anything else?

Mr. MORRIS. That is all. Thank you very much, Mr. Wallace.

Senator FERGUSON. By the way, did you want to put in any part of that statement from the other day into the record, or did you include it?

Mr. WALLACE. No; that is included in here. I deliberately framed this so it would be included.

Mr. MORRIS. Mr. Wallace, did you indicate in the executive session the other day that you were going to make available the memorandum in connection with the talk you had with Mr. Holland?

Mr. BALL. Yes; I have that here today. Mr. Wallace brought it down. It is not a memorandum that Mr. Wallace made, but it is a memorandum which was supplied to Mr. Wallace by Mr. Holland after the conversation.

Mr. SOURWINE. There are two memorandums that are to come to the committee, are there not?

Was not one the memorandum that Mr. Holland gave you with regard to certain portions of your pamphlet?

Mr. BALL. No; it is the testimony of the pamphlet, as I recall.

Mr. WALLACE. That is the only one I have, at any rate.

Senator SMITH. What is the other one?

Mr. SOURWINE. It just runs in my mind that Mr. Holland also furnished him a memorandum about the testimony of Mr. Dennett, and that he was going to furnish us with it.

Mr. WALLACE. No.

Mr. SOURWINE. Did you not testify that Mr. Holland had furnished you with a memorandum with regard to Dennett's testimony before this committee?

Mr. BALL. That is right; and this is Dennett's testimony before the committee with respect to the pamphlet. It combines both of those things.

This is a memorandum criticizing Dennett's testimony with respect to the pamphlet.

Mr. SOURWINE. In other words, the memorandum that Mr. Holland gave you when he came up to the farm is this, and there were not two separate memorandums?

Mr. WALLACE. Just this.

Mr. SOURWINE. That is right; I am sorry.



Senator SMITH. That will be placed in the record.  
(The information referred to is as follows:)

COMMENTS ON WALLACE PAMPHLET

(Dennett testimony, hearings, vol. 17. pp. 1763-1771)

1. Dennett himself states (pp. 1763, 1770-1771) that publication of a pamphlet by Mr. Wallace was discussed in the executive committee and approved by them.

2. The account of the origin of the pamphlet given by Dennett (p. 1763) and by Mrs. Lattimore (testimony in executive session, quoted in Dennett volume, p. 1767) is incomplete. Dennett says: "Early in 1945 (error; he meant 1944) I received word from the Washington office that Owen Lattimore believed that Mr. Wallace might be willing to write a pamphlet \* \* \*" Mrs. Lattimore says the pamphlet "originated because Mr. Wallace, who was the Vice President of the United States, had become interested in the Far East, and had some ideas about the Far East, and so the IPR thought it would be very interesting to have a pamphlet written by him."

The genesis of the pamphlet goes much further back than this. For a long time Miss Miriam S. Farley, the editor of the IPR popular pamphlet series, had urged that several nationally known persons be invited to write pamphlets for the series, with a view to promoting the sale of the series as a whole. In this connection a good many names were canvassed, and two were finally selected: Vice President Wallace and Mr. Eric Johnston. The selection was made on two grounds: (1) both men were qualified to write on the subjects chosen; (2) both were men whom the IPR was able to approach through mutual friends who might be instrumental in persuading them to write.

The approach to Mr. Wallace was made with the aid of Owen Lattimore; the approach to Mr. Johnston was made with the aid of Benjamin H. Kizer, of Spokane. Mr. Wallace was asked to write on the post war far eastern policy of the United States, and Mr. Johnston on the post war economic relations between the United States and the Far East. Both men accepted the IPR's invitation. In Mr. Wallace's case the pamphlet was written and published. To the IPR's regret, Mr. Johnston later found that he did not have time to write a pamphlet, so this project did not materialize. Thus circumstances made it impossible to carry out the original aim of publishing two pamphlets by men of national reputation but representing different points of view.

3. During Dennett's testimony, Mr. Mandel, of the subcommittee's staff, read the following quotations from the Wallace pamphlet:

(a) "Free Asia will include first of all China and Soviet Asia, which form a great area of freedom, potentially a freedom bloc which it is to our interest to have become a freedom bloc in fact \* \* \*" (p. 24).

This quotation is torn from its context in such a way as to completely distort its meaning. In this passage, Mr. Wallace was drawing a contrast between the countries of Asia which were independent, that is free, and those which at that time were still under colonial rule. He recommended that the United States encourage an orderly development toward greater self-government and eventual independence for colonial peoples. This is made clear when the entire passage is quoted:

"Whereas after the war we shall find Asia economically still largely in a stage of primitive agriculture, politically we shall find it divided into two parts: Free Asia and subject Asia. While Lincoln's phrase cannot be applied literally, yet in the larger sense it is true that neither a country nor a region can indefinitely continue to exist half slave and half free.

"'Free Asia' will include first of all China and Soviet Asia, which form a great area of freedom, potentially a freedom bloc which it is to our interest to have become a freedom bloc in fact. It will include the Philippines, which has been promised its independence, Korea, which has also been promised freedom 'in due course,' and Thailand, which though independent before Japan's conquest, is one of the small countries which could probably not preserve its freedom except as part of a larger structure of free nations.



"Subject Asia or colonial Asia will include the countries whose present rulers have not yet committed themselves to definite dates for the emancipation of their colonial subjects. If peace came tomorrow this would include India, the Dutch East Indies, Burma, Malaya, Indochina, and a great many small Pacific islands.

"This large bloc cannot be described as 'antifreedom' but rather as 'not yet having freedom.' It is to our advantage not to perpetuate this division but to see an orderly process of transition so that the area of free Asia will grow and the area of subject Asia continually diminish."

(b) "The Russians have demonstrated their friendly attitude toward China by their willingness to refrain from intervening in China's internal affairs \* \* \*" (p. 28).

At the time Mr. Wallace wrote (1944) the Russians were not intervening in China's internal affairs. The passage quoted by Mandel is immediately preceded by a quotation from Dr. Hu Shih, former Ambassador to the United States of the Chinese Nationalist Government, as follows:

"It is my sincere hope that the time will come when China and the Soviet Union may work shoulder to shoulder not only in fighting a common foe, but in all time to come \* \* \*. The peace and prosperity of Asia demand such a mutual understanding between these two great countries which comprise three-quarters of the continent."

(c) The three other passages quoted by Mandel do not seem worth commenting on. But it should be noted that the five short passages which he quotes, all of which mention Russia, are not representative of the contents of the pamphlet, which devotes only a small amount of space to Russia—approximately 3 pages out of 43. The principal argument advanced in the pamphlet is in favor of a program of economic aid to Asia, with main emphasis on agriculture. Many other postwar problems are also discussed, including the colonial problem (see above), the future of Japan, America's strategic needs in the Pacific, international organization, etc. The entire text of the pamphlet was incorporated in the record as exhibit No. 284. But at the public hearing Mandel quoted only passages dealing with Russia, including one (see (a) above) which was completely distorted, but was picked up by many newspapers and thus gave the newspaper public a completely false idea of the nature of the pamphlet.

Senator SMITH. Do you have anything else?

Mr. SOURWINE. I have nothing more, sir. That was the last point I wished to cover.

Senator SMITH. Senator Ferguson?

Senator FERGUSON. No, sir.

Senator SMITH. Mr. Morris?

Mr. MORRIS. No, sir; we have nothing more.

Mr. Joseph Alsop is the next witness, Mr. Chairman.

Senator SMITH. We will extend to Mr. Wallace the same courtesy we did to Mr. Alsop; we will let him sit here and listen.

Mr. WALLACE. I, unfortunately, have another commitment.

Mr. SOURWINE. May I make this statement on behalf of Mr. Alsop:

It is my understanding that he wants to make a presentation of some length in connection with which he would like to choose his own order of comment.

I do not believe Mr. Alsop desires to have his testimony broken into on the two sessions.

I do not know how long the committee intends to sit, but I suggest consideration might be given, with the discretion here with Mr. Alsop, to what courtesies might be extended to him in connection with his testimony.

Senator SMITH. It is 20 minutes past 4 now, and so far as I am concerned, it is all right.



We will recess later. What is your pleasure, Mr. Alsop?

Mr. ALSOP. I would much rather appear tomorrow, Senator, because this is a most complex subject and unless you are prepared to sit here very late at night, you will not be able to get the story into the record as one story.

I would much rather recess, if I may.

Senator SMITH. Off the record.

(Discussion off the record.)

Senator SMITH. On the record. If there is nothing else, we will recess until tomorrow morning at 9:30.

(Whereupon, at 4:25 p. m., Wednesday, October 17, 1951, the hearing was recessed until 9:30 a. m., Thursday, October 18, 1951.)

# INSTITUTE OF PACIFIC RELATIONS

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THURSDAY, OCTOBER 18, 1951

UNITED STATES SENATE, SUBCOMMITTEE TO  
INVESTIGATE THE ADMINISTRATION OF THE INTERNAL  
SECURITY ACT AND OTHER INTERNAL SECURITY LAWS,  
OF THE COMMITTEE ON THE JUDICIARY,  
Washington, D. C.

The subcommittee met at 9:30 a. m., pursuant to recess, in room 424, Senate Office Building, Senator Pat McCarran (chairman), presiding.

Present: Senators McCarran, O'Connor, Smith, Watkins, and Ferguson.

Also present: J. G. Sourwine, committee counsel; Robert Morris, subcommittee counsel; and Benjamin Mandel, director of research.

Senator FERGUSON (presiding). The committee will come to order.

You do solemnly swear in the matter now pending before this subcommittee of the Judiciary Committee of the United States, to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ALSOP. I do.

## TESTIMONY OF JOSEPH ALSOP, ACCOMPANIED BY GANSON PURCELL

Senator FERGUSON. You may proceed.

Mr. MORRIS. Do you have any evidence that bears on the inquiry that is underway by this committee?

Mr. ALSOP. I have a substantial amount of evidence which I will put in the record as I continue with my statement if I may.

Mr. MORRIS. Will you present the evidence to the committee?

Mr. ALSOP. I have a statement, if I may proceed.

Senator FERGUSON. Yes.

Mr. ALSOP. Mr. Chairman, I have come before you voluntarily to testify that certain sworn evidence by Louis Budenz is misleading and untruthful. This evidence concerned former Vice President Wallace's trip to China in the spring of 1944 and the part played on that trip by the State Department official, John Carter Vincent.

With your permission I will follow the orderly system which your committee counsel suggested to Mr. Budenz on his last appearance before you.

As Mr. Budenz analyzed the documents produced by Mr. Wallace's mission point by point, I should like to analyze Mr. Budenz' testimony in the same manner, setting forth what he has said under oath against the actual facts as shown to me and shown by documents.

The basic statements by Mr. Budenz which I now challenge can be very quickly summarized. In his first testimony before your commit-



tee on this subject of John Carter Vincent and Mr. Vincent's role in Mr. Wallace's trip to China, Mr. Budenz stated affirmatively that Mr. Vincent was "a member of the Communist Party at that time."

He testified further that the Politburo of the American Communist Party relied on Mr. Vincent, and again I quote Mr. Budenz, "to guide Mr. Wallace largely along the paths", of the Communist Party line during this trip to China.

In his second testimony given more recently Mr. Budenz added that the Communist leaders were pleased with the Wallace mission.

Under questioning by you, Senator Ferguson, he expanded on this. I quote:

MR. BUDENZ. The Communist Party Politburo, from its vantage point, thought that the Wallace mission to Soviet Asia and China was being properly guided and would end in the way they wished it would end. They have to appreciate what that objective of theirs was, knowing their objective during that particular period of time.

Senator FERGUSON. Do you feel their objective was carried out?

MR. BUDENZ. Absolutely. It was carried out.

On the basis of this testimony of Mr. Budenz, I have written to your committee's chairman that Mr. Budenz was guilty of three untruths.

The first and basic untruth was Mr. Budenz's assertion that the Wallace mission to China carried out a Communist objective. In fact, it did the precise contrary.

The second untruth was that Mr. Vincent guided Mr. Wallace toward any Communist objective. In fact, he did the precise contrary.

The third untruth was that Mr. Vincent was a party member at that time.

The weight of contrary evidence is such as to make this undoubtedly unsupported allegation inherently incredible. It is first necessary, therefore, to examine Mr. Budenz's statement that the Wallace mission carried out a Communist objective.

Fortunately, this can easily be tested against the only important results of the Wallace mission to China which are now upon the public record. These results were a cable from Mr. Wallace to President Roosevelt sent from Kunming via New Delhi on June 26, 1944, and a final report to President Roosevelt delivered by Mr. Wallace at the White House on July 10, 1944.

In these two documents there is much historical and reportorial matter which Mr. Budenz has seen fit to describe as pro-Communist in character.

If the committee so desires, I am prepared to prove that in these passages of his testimony Mr. Budenz has been guilty of gross distortion and deception, but the really relevant and striking feature of these two documents is not this historical and reportorial matter.

The really striking feature is the recommendation to the President contained in the Kunming cable of June 26 that Gen. Joseph W. Stilwell be dismissed forthwith from command in China and that the command be given to Gen. Albert C. Wedemeyer.

MR. SOURWINE. May I interrupt for just a moment?

MR. ALSOP. Certainly. I hope you will stop me at any time.

MR. SOURWINE. I am sure you made mention there you would offer some proof if the committee so desired and you did not mean to imply any question as to whether the committee wanted the full facts with regard to what you are concerned with?

Mr. ALSOP. No; not for 1 minute.

Senator FERGUSON. The committee does want all the evidence.

Mr. ALSOP. I hope you will feel when you have seen the evidence against Mr. Budenz's basic assertions that you have very little doubt he has deceived the committee with respect to this historical and reportorial matter which is subordinate.

Mr. SOURWINE. I thought it should be made clear that the committee desires all the testimony and evidence that you can give to throw light on the situation.

Mr. ALSOP. That was my only intention.

This recommendation for the replacement of General Stilwell by General Wedemeyer was always regarded as the central and decisive passage of this Kunming cable both by Mr. Wallace and by Mr. Vincent.

I can so testify because I was present and took part in all the preliminary discussions with Mr. Wallace and the accused man, Mr. Vincent.

In his first testimony Mr. Budenz made no mention whatever of this chief result of the Wallace mission. When recalled to the stand to defend his previous testimony, Mr. Budenz oddly sought to show that the nomination of General Wedemeyer was a pro-Communist act, but again Mr. Budenz entirely passed over with no mention at all what was really significant; namely, the recommendation that General Stilwell be dismissed from command in China.

This was the point that Mr. Wallace and Mr. Vincent discussed longest and weighed most carefully. This recommendation to dismiss General Stilwell and not the nomination of General Wedemeyer was the truly drastic step that Mr. Wallace took, and I think I can show the committee that this recommendation to dismiss General Stilwell in which the accused man, Mr. Vincent, participated and concurred was the heaviest blow to the Communist cause in China that could be struck at that time.

Basically this was true because General Stilwell was strongly gripped with certain attitudes highly favorable to the Chinese Communist cause and because with his vast authority as theater commander was able to give effect to those attitudes.

Since he is no longer here to speak in his own defense, I shall, if the committee will permit me, try to develop what those attitudes of General Stilwell's were from documents penned by General Stilwell himself.

The series of documents begins in 1938.

The CHAIRMAN. Just a minute, Mr. Alsop. From what are you reading?

Mr. ALSOP. I am reading from a presentation, Senator, which I made in order to organize the evidence and which the committee agreed yesterday I could read.

The CHAIRMAN. This committee?

Mr. ALSOP. Yes, sir.

The CHAIRMAN. Who was present at that time?

Mr. ALSOP. Senator Ferguson and Senator Smith of North Carolina.

The CHAIRMAN. They agreed you should read this statement?

Mr. ALSOP. Certainly.

Mr. Sourwine also agreed.

The CHAIRMAN. Without cross-examination?



Mr. ALSOP. No. I have quite questions in the course of the presentation, sir.

The CHAIRMAN. Whether you are running this committee or the committee is running itself is a matter to be determined very shortly.

Mr. ALSOP. I am not trying to run the committee in the least.

The CHAIRMAN. I think you are. You are proposing to quote something now that isn't in your statement and isn't your statement at all. It is a hearsay matter. What are you going to do with that? Are you going to be cross-examined on it and, if so, how?

Mr. ALSOP. I am not going to quote anything that isn't a public document.

The CHAIRMAN. I understand you to say you are going to quote from someone who is not here.

Mr. ALSOP. I am going to quote from a series of public documents, Senator.

The CHAIRMAN. I will let you go along a while, but I am going to find out what is going on.

Mr. ALSOP. The series of documents begins in 1938.

The CHAIRMAN. What is the authenticity of these documents?

Mr. ALSOP. If you will wait, Senator, I will try and tell you.

The CHAIRMAN. I want to know where you got them before you read them.

Mr. ALSOP. This happens to be a House or Senate document.

The CHAIRMAN. On what number?

Mr. ALSOP. It appears in a publication by the Committee on Un-American Activities of the House of Representatives, December 31, 1948.

The CHAIRMAN. All right.

Mr. ALSOP. The series of documents begins in 1938 when General Stilwell was an obscure colonel assigned as an intelligence officer in China. At that time he sent the War Department a commentary on the situation after the fall of Nanking, which turned up, interestingly enough, in Whittaker Chambers' pumpkin papers.

In this document published by the House of Representatives which I now offer as the first exhibit, Stilwell wrote:

On the Chinese side only the Reds have a definite plan, the essence of which is the adoption of guerrilla warfare on a large scale and the mobilization of the masses. The Kuomintang leaders have been forced to take notice, since they can suggest nothing better, but they are not pushing the program in a whole-hearted way because its success will mean the passing of power to the Reds.

In this Stilwell report of 1938 you will notice what may be called the germ of a military prejudice in favor of the Communists and against the Nationalists.

This germ, in turn, became a violent infection when General Stilwell was brought into sharp collision with the Generalissimo by his wartime assignment in China.

From almost the beginning there were bitter disagreements between the two men which ultimately generated a consuming hatred of Chiang Kai-shek in General Stilwell's mind as I shall now seek to demonstrate in General Stilwell's personal papers, published by William Sloane Associates in New York after being arranged and edited by Theodore H. White.

The bulk of this publication consists of selections from General Stilwell's diaries and letters arranged and organized by Mr. White.

under the guidance of Mrs. Stilwell. You can trace the development of General Stilwell's attitude——

Mr. MORRIS. May the record show, Mr. Chairman, that these documents are being passed around this morning and that they are being seen by the Senators here and the staff for the first time.

The CHAIRMAN. Yes. The record may show if that is the fact. That is the reason I am drawing attention. I am wondering what this is all about.

Mr. MORRIS. It is completely without precedent we should take documents in open session we have never seen in executive session.

The CHAIRMAN. It is without precedent we should be taking this statement. I would like to know how this came about, by what authority. We should have the documents before they are presented.

Mr. MORRIS. These were not mentioned in executive session.

Mr. PURCELL. I beg your pardon.

The CHAIRMAN. Who are you, please? Will you please sit remote from the witness?

Mr. PURCELL. Yes.

The CHAIRMAN. When we want you to answer a question, we will ask you.

Senator FERGUSON. I understand these are just excerpts from this book.

Mr. ALSOP. It is marked in the book if there is any desire to check as to the authenticity of the documents.

The CHAIRMAN. There will be a desire, of course. Why not?

Mr. ALSOP. You can trace the development of General Stilwell's attitude in these posthumously personal papers of his.

In June 1942 only a few months after taking command in China General Stilwell was already writing in his diary that the Generalissimo was a—

stupid little ass and that the Chinese Government was a structure based on fear and favor in the hands of an ignorant, arbitrary, and stubborn man.

About the same time in a letter headed "The Manure Pile," his name for the Generalissimo's wartime capital, he wrote that:

This is the most dreary type of maneuvering I've ever done, trying to guide and influence a stubborn, ignorant, prejudiced, conceited despot.

The first mention of the Communists appears in September of the same year when he satirically summarizes a Chinese intelligence estimate including the statement that:

The Communists are raising hell. One-third of the 49 armies in the north have to oppose them.

This estimate he dismisses as "pure crap."

This is significant in view of Mr. Budenz' testimony in 1944 the Communist line was "to end the blockade of the northwest."

Or, in other words, because these Chinese armies containing the Communists in the north were to be used in some other manner.

Almost from the first General Stilwell maintained that by seeking to contain the Communists the Generalissimo proved he was not going all out to "beat the Japs," and he endlessly badgered Chiang Kai-shek to transfer these troops from the north down to the Burma forces in the south.



In short, General Stilwell was hammering on the same theme sometime before the Communists raised their slogan.

To go back to the documents, by January 1943, General Stilwell was noting:

What a fight the Russians have made. The nation has obviously found itself.

Senator FERGUSON. Do you have the quote from Budenz' testimony?

Mr. ALSOP. I would have to look through it.

Senator FERGUSON. Did you quote it there?

Mr. ALSOP. I think I accurately said what was the main slogan.

Senator FERGUSON. Would you read it again?

Mr. ALSOP. He testified on his second appearance on the stand that the Communist policy was to end the blockade of the northwest, which was their name for the Generalissimo's effort to contain the Chinese Communist armies.

Senator FERGUSON. It is that that you are answering?

Mr. ALSOP. Yes.

By January 1943 General Stilwell was noting:

What a fight the Russians have made. The nation has obviously found itself. Twenty years of work and struggle. Results: Tough physique; unity of purpose; pride in their accomplishments; determination to win.

This Soviet success he then compared with:

The Chinese cesspool, a gang of thugs with the one idea of perpetuating themselves and their machine.

And General Stilwell concluded angrily:

We are maneuvered into the position of having to support this rotten regime and glorify its figurehead, the all-wise great patriot and soldier-peanut. My God.

Peanut was General Stilwell's customary name for the Generalissimo.

In a note written in July of the same year General Stilwell achieved his most complete collection of unflattering adjectives for Chiang Kai-shek—

Obstinate, pigheaded, ignorant, intolerant, arbitrary, unreasonable, illogical, ungrateful, grasping.

By 1944 when Mr. Wallace came to China the political note was being strongly struck by General Stilwell. In an undated note placed in 1944 by the editors of the Stilwell papers, the following appears:

I judge Kuomintang and Kungchintang (which is the Communist Party) by what I saw: Kuomintang—corruption, neglect, chaos, economy, taxes, words and deeds; hoarding, black market, trading with enemy.

Communist program—

Mr. MORRIS. May I at this time ask you the relevancy of what you are reading?

Mr. ALSOP. This was the man being dismissed. It shows he was not only hostile to the Generalissimo, but very friendly to the Communists, if you will allow me to continue.

Mr. MORRIS. Has any witness before this committee said that General Stilwell was not friendly to the Chinese Communists?

Mr. ALSOP. A witness before this committee has alleged that a Communist objective was carried out by the dismissal of General Stilwell.

Mr. MORRIS. We had evidence—

Mr. SOURWINE. Just a minute, Mr. Morris. I would be very much interested in having Mr. Alsop show the testimony on the point he just indicated. I don't recall a witness testifying that a Communist objective was carried out through the dismissal of General Stilwell.

Mr. ALSOP. Mr. Budenz said——

The CHAIRMAN. Let's get the record.

Mr. ALSOP. Mr. Budenz said——

The CHAIRMAN. Let's see what he said.

Mr. ALSOP. I can read it.

The CHAIRMAN. I want the official record. I don't want your notes.

Mr. ALSOP. Please give me the record and I will read it to you. Sorry, Senator. This is directly from the record. It will take me a little time to find it.

The CHAIRMAN. All right, find it. If you had submitted your statement before, we would not have had to take the time to find it.

Mr. ALSOP. Mr. Sourwine, with whom I discussed it, did not ask me to do so, Senator.

Mr. SOURWINE. Mr. Alsop, you told me you had no statement, that you would have no prepared statement, you were simply working from notes.

Mr. ALSOP. I am.

Mr. SOURWINE. But you cannot expect me to ask you for your notes. You didn't tell me you had a statement.

Mr. ALSOP. I have an orderly presentation which I was told I would be permitted to offer.

This is page 2098 of Mr. Budenz' second testimony. Mr. Budenz said, concerning the relationship of the Wallace mission to Communist policy:

These documents are presented, as I said, are only part of what could have been presented to this committee, and they confirm my contention, which was the Communist Party Politburo from its vantage point thought that the Wallace mission to Soviet Asia and China was being properly guided and would end the way they wished it would end. We have to appreciate what that objective of theirs was, knowing their objective during that particular period of time.

Senator FERGUSON. Do you feel their objective was carried out?

Mr. BUDENZ. Absolutely. It was carried out.

The chief results of Mr. Wallace's mission——

The CHAIRMAN. Now, just read your statement and never mind the chief result of Mr. Wallace's mission. What was your statement that was challenged here by counsel? Read your statement.

Mr. ALSOP. My statement was that——

The CHAIRMAN. Read the statement.

Mr. ALSOP. The record will have to be read back.

The CHAIRMAN. You have the notes before you.

Mr. ALSOP. I was not speaking from my notes. I was trying to answer Mr. Morris' question.

The CHAIRMAN. When did you speak from your notes and when not?

Mr. ALSOP. It depends on whether I'm being questioned or not.

The CHAIRMAN. You were not being questioned.

Mr. ALSOP. I was.

The CHAIRMAN. If you have a quotation, I will read back from the record, or you read it from your notes. You are not going to make ad libitum statements here and not have them challenged.



Mr. ALSOP. The stenographer will have to read back.

The CHAIRMAN. Very well.

(The record was thereupon read by the reporter.)

The CHAIRMAN. You may proceed with your question, counsel.

Mr. SOURWINE. It seemed to me that the witness had made a statement concerning something which he said a prior witness before this committee stated. I don't recall any prior witness who so stated it.

What he has read from Mr. Budenz's testimony is not what he said a witness stated.

Mr. ALSOP. Let me—

The CHAIRMAN. Just a minute. Conclude your statement or your question.

Mr. SOURWINE. I do not think Mr. Alsop should paraphrase what a prior witness said when his specific purpose is to accuse the prior witness of perjury before the committee.

I think in quoting what a prior witness said he should be careful to quote exactly from the testimony before the committee.

Mr. ALSOP. May I continue?

The CHAIRMAN. Yes, but you have your warning. Do not paraphrase. You will not get it again.

Mr. ALSOP. I have already given the extremely disagreeable description of the Kuomintang program. I now quote from Général Stilwell's description of the Communist program:

Reduce taxes, rents, interest; raise production and standard of living; participate in government; practice what they preach.

In another undated paper of the same period General Stilwell noted that—

The mass of the Chinese people welcome the Reds as being the only visible hope of relief.

And in still another he wrote that—

The cure for China's trouble is the elimination of Chiang Kai-shek.

The committee will recall the enormous latitude conferred during the last war on American theater commanders. I need hardly point out to the committee that from the very first it was a positive danger to the Generalissimo to have to rely for his American support on a theatre commander who regarded him as a despot and a fool and his government as a monstrosity.

I need hardly point out, either, that this danger to the Generalissimo had become extremely acute by the time Mr. Wallace and Mr. Vincent reached China for this American theater commander to whom Chiang Kai-shek looked for aid was actually calling for Chiang's "elimination" and describing the Chinese Communists as the "only hope of the Chinese masses."

It did not end there, however. Mr Budenz has testified that the rather pale and moderate description of China's political-economic-military crisis in 1944 contained in the Wallace cable was calculated to "discredit the Generalissimo."

And that this cable, therefore, followed the Communist Party line. In fact, however, if the Communists wished to discredit Chiang Kai-shek and shake American confidence in him, General Stilwell, the chief American representative in China, whose removal Mr. Wallace recommended, was the ideal instrument.

The attacks on Chiang I have quoted were not confided to General Stilwell's diary alone. He never tired of describing the Generalissimo in the same terms to the highest officials of the American Government whose sole important source of information on China he then was. There were excellent reasons to believe, as the committee will later see, that General Stilwell actually encouraged and instructed his staff to denigrate and belittle Chiang Kai-shek in the same manner.

Furthermore, and this is the crucial point, General Stilwell had a plan for giving practical effect to his preference for the Chinese Communists which he was maturing just the moment when Mr. Wallace reached China.

Senator FERGUSON. Had you ever directly worked under Stilwell?

Mr. ALSOP. No. I have known him rather well. I worked under General Chennault, but I was fairly familiar with all the military affairs of the theater because one of my assignments from General Chennault was to know about them.

The CHAIRMAN. You did not work under him.

Mr. ALSOP. I worked with him—

The CHAIRMAN. You did not work under him?

Mr. ALSOP. I did not, but I was familiar with the theater plans.

The CHAIRMAN. Did you know his official records? Did you have access to them?

Mr. ALSOP. Senator, as you know—

The CHAIRMAN. Will you answer my question? Never mind evading.

Mr. ALSOP. If you will permit me, I shall try to do so.

The CHAIRMAN. Did you have access to his official records?

Mr. ALSOP. I had access to some of his official records.

The CHAIRMAN. General Stilwell?

Mr. ALSOP. General Stilwell's telegrams were frequently repeated to the Fourteenth Air Force as is usually the military custom.

The CHAIRMAN. You had access to them?

Mr. ALSOP. Yes.

The CHAIRMAN. Those were all?

Mr. ALSOP. No, because I knew members of his staff extremely well.

The CHAIRMAN. And they gave you his official records? Is that the idea you wish to convey?

Mr. ALSOP. They did not, but they gave me extremely clear and positive information about General Stilwell's policy line, Senator.

The CHAIRMAN. You got it from his subordinates?

Mr. ALSOP. I got it from his subordinates, and telegrams.

The CHAIRMAN. That is what you are testifying, what you got from General Stilwell's subordinates? Is that what you are testifying to under oath here?

Mr. ALSOP. I am testifying—

The CHAIRMAN. Will you answer? Is that what you are testifying to under oath?

Mr. ALSOP. I am testifying to information which I received from many different sources.

The CHAIRMAN. I am talking about General Stilwell.

Mr. ALSOP. My information from him does not come from his subordinates only. It comes from different sources, from General Chennault, from the Chinese. It comes from newspapermen with



whom General Stilwell spoke very freely. It comes from many different sources.

The CHAIRMAN. Just so long as we know where you are getting this. That was the question propounded by Senator Ferguson.

Mr. ALSOP. I am anxious to tell you.

General Stilwell had a plan for giving practical effect to his preference for the Chinese Communists which he was actually maturing at the moment when Mr. Wallace reached China.

In Mr. Wallace's cable the committee will have noted that a Japanese offensive was then inflicting disastrous defeats on the Generalissimo's armies in the east China area.

Senator FERGUSON. Could you tell us whether or not anyone else had sent the information which is indicated here to the Pentagon or to the President about the conditions in China and General Stilwell's attitude on those conditions?

Mr. ALSOP. I think I can give you a very interesting history on that effort.

What actually happened was this: When the Japanese offensive commenced, General Stilwell's intelligence—we used to receive copies of the intelligence report—described it as a rice raid. In its first phase the offensive overran in 3 weeks the great and very rich Province of Honan, completely destroyed the armies of Gen. Tang En Po.

Gen. Tang En Po had an estimated several hundred thousand Chinese troops—I think I said in my executive session testimony 700,000. I think that was rather high. It was nearer 400,000.

At any rate, it was one of the major Army groups of the Chinese Nationalists.

They then came down to Changsha on the Yangtze River. General Stilwell's intelligence was still treating this episode as minor. They said the armies of Tang En Po had just fallen to pieces of themselves and that anything that happened before Changsha would be a rice raid.

The defender of Changsha was a Gen. Shueh Yueh. Changsha fell and the Japanese began to drive south of Changsha toward the even more vital area in Kiangsi Province.

The situation began to look very black. I was told at the time by a member of General Stilwell's staff—General Stilwell, I should say, during this period, was in Burma, and after the fall of Changsha the intelligence reports took a completely different turn and the offensive that had previously been treated as a rice raid became absolutely unstoppable.

Mr. SOURWINE. Are you talking about intelligence reports returned to Washington, returned to the Pentagon?

Mr. ALSOP. The circulation, unless I am very incorrectly informed—I think I am quite correct—was that we would get one, the Delhi headquarters would get one, and they would be forwarded to Washington.

Mr. SOURWINE. Are you attempting to answer Senator Ferguson's question as to whether this situation with respect to Stilwell's attitudes, policies, and plans was reported to Washington?

Mr. ALSOP. I don't think General Stilwell's plan was—Senator Ferguson, if we have to read the record—

Senator FERGUSON. I am anxious to know if what you say now about Stilwell was all known and came to Mr. Wallace's attention and it took from July until about November—am I right when Stilwell was removed?

Mr. MORRIS. Late October.

Senator FERGUSON. Why we allowed a condition as you are describing here to exist in the Chinese theater without him being removed without the effort of Mr. Wallace?

Mr. ALSOP. I think I can explain that to you. I would like to do it later. It is a rather major subject actually. I would like to finish with these situation reports.

Senator FERGUSON. You will explain that as to why they did not act in Washington without Mr. Wallace's recommendation?

Mr. ALSOP. They did act in Washington.

Senator FERGUSON. Without Mr. Wallace's recommendation?

Mr. ALSOP. No. They acted on this problem of the Japanese offensive which you originally questioned me about.

Senator FERGUSON. I was also questioning you about whether or not Washington knew what was going on as far as our commander was concerned.

Mr. ALSOP. I don't think they clearly understood what was going on. I can't testify to that as a matter of knowledge, naturally. I can give you a fairly clear opinion.

Senator FERGUSON. Do you know whether Chiang had given a message to anyone else besides Wallace that he wanted Stilwell removed?

Mr. ALSOP. Well—

Senator FERGUSON. Do you know that?

Mr. ALSOP. Senator, if you want, I will tell you—

The CHAIRMAN. The question is: Do you know?

Senator FERGUSON. Do you know whether or not Chiang gave any word to anyone else other than Henry Wallace that he wanted Stilwell removed? Wallace indicated yesterday that Chiang wanted Stilwell removed.

Mr. ALSOP. He did not testify, Senator—

The CHAIRMAN. Let's get back to Senator Ferguson's question.

Senator FERGUSON. To your knowledge, did Chiang Kai-shek give any words or any message to anyone other than Henry Wallace that he wanted Stilwell removed?

Mr. ALSOP. It is an extremely long and complicated story.

The CHAIRMAN. Answer it.

Mr. ALSOP. Which I shall be glad to tell you.

Senator FERGUSON. Is it a "Yes" or "No" answer, with an explanation?

Mr. ALSOP. The answer is "Yes," with an explanation.

The CHAIRMAN. Let us have the explanation now.

Mr. ALSOP. It is long. It is as follows:

At the end of the Trident Conference in the spring of 1943 in Washington, at which General Stilwell had publicly abused the Generalissimo before the entire assembly of allied commanders, and Mr. Churchill and President Roosevelt. The Generalissimo naturally heard of this incident. I think he probably heard about it from the British who were probably trying to make trouble, requested Dr. Soong to arrange with the President for the recall of General Stilwell, on the grounds that the relationship was nonviable.



General Stilwell returned to China after Trident. Dr. Soong remained in Washington. He did arrange through Mr. Hopkins with the President that Stilwell would be recalled if the Generalissimo formally requested that he be recalled.

In October of 1943 Dr. Soong returned to Chungking to prepare for the conference there at which Admiral Mountbatten was going to take command in southeast Asia. He got there about 2 days after Admiral Mountbatten.

At that time I was serving Dr. Soong as adviser. I was thoroughly familiar with all the circumstances. He brought word if the Generalissimo presented a formal request rather than this informal message through Dr. Soong, the President would immediately and automatically recall General Stilwell.

In my opinion the President's purpose was to appoint General Wedemeyer who had already been sent out as Deputy Commander to Mountbatten.

The CHAIRMAN. Let me have that statement, that last statement, just from "my opinion."

(The record was thereupon read by the reporter.)

Mr. ALSOP. I say that because Dr. Soong thought that at the time and he was familiar with the atmosphere in the White House since he had been negotiating this matter.

Senator FERGUSON. Soong was of the opinion that Wedemeyer was being sent there for the purpose of—

Mr. ALSOP. No, he was not being sent there for the purpose of, but he was the most probable replacement.

Mr. SOURWINE. Did Dr. Soong tell you that the President had indicated that to him in any way?

Mr. ALSOP. No, he did not. He said he thought Wedemeyer was the most likely bet if Stilwell was recalled.

Mr. SOURWINE. He was just expressing his own opinion?

Mr. ALSOP. Yes, but it was an informed opinion.

Mr. SOURWINE. But not based on anything the President had said to him?

Mr. ALSOP. Yes. I have no idea how it was based.

Senator FERGUSON. We have Wedemeyer out there and Soong. You are adviser to Soong. What happened?

Mr. ALSOP. As you will find in General Stilwell's diary, General Stilwell had made a personal alliance—I can find the passage for you if you are interested—with Madam Chiang and Madam Kung, who belonged to the opposite political faction from their brother, Dr. Soong, and were reluctant to see him rise in power and influence to the extent that he would have done if General Stilwell had been replaced by his arrangement.

The CHAIRMAN. Would you clarify your statement where you say they belonged to different political factions? Please designate.

Mr. ALSOP. It was a very curious situation in China. Madam Kung was the most powerful single personality in the more conservative, the more reactionary group in the Kuomintang.

Dr. Soong was the most important single personality in the more progressive or more modern minded group.

Madam Chiang allied herself with Madam Kung because she didn't like Dr. Soong, and finally, Madam Sun Yat-sen, the fourth signifi-

cant member of the family was, in fact, as it now turns out, a Communist Asian. She was already overtly a Communist sympathizer.

The family feuds of that particular family more or less summed up the politics of China.

The CHAIRMAN. What relation were these ladies to each other, sisters?

Mr. ALSOP. They were sisters.

The CHAIRMAN. All you have mentioned were sisters and they had taken up with different political factions?

Mr. ALSOP. That is correct.

The CHAIRMAN. They are following that same line?

Mr. ALSOP. Madam Sun Yat-sen is now, I believe, a member of the executive committee of the Chinese Communist Party.

The CHAIRMAN. How did she stand at that time as regards the Communist Party and the Nationalist Party?

Mr. ALSOP. You mean how did which one stand?

The CHAIRMAN. Did you mention which one belonged to the Communist Party at that time?

Mr. ALSOP. Madam Chiang, Madam Kung, and Dr. Soong were all very eminent members of the National Party; whereas, Madam Sun Yat-sen was ostensibly a member of the Kuomintang. She was officially a member of the Kuomintang which her late husband had founded, but, in fact, she was a strong overt Communist sympathizer, and as I say, has now turned up on the executive committee of the Chinese Communist Party in Peiping.

General Stilwell had made an offensive and defensive alliance—the event is described in his book—with the two ladies, Madam Kung and Madam Chiang.

When Dr. Soong returned from Washington with this assurance from the President that General Stilwell would be recalled in response to a personal request, Madam Chiang and Madam Kung started a tremendous family fight which went on for about 2 days in the generalissimo's villa up on the hill.

I can recall Dr. Soong coming back from these sessions in a state of complete exhaustion. Madam Kung and Madam Chiang, for reasons of internal Chinese politics, maintained the position which was not true as it turned out when General Wedemeyer was appointed, that American aid for China depended on General Stilwell; that he had been so built up by the press as an American hero, that he had such influence at the War Department, that all supplies and aid for China would be cut off if the generalissimo presented this request for General Stilwell's recall.

Senator FERGUSON. What part of the press was advocating that kind of idea? Was it the Chinese press?

Mr. ALSOP. No; the American press had built up General Stilwell as a hero. The ladies said that "If you throw this American hero out of command in China, you will become very unpopular with the United States and you won't get any aeroplanes and any guns, or anything else."

Mr. SOURWINE. Just to get the chronology straight, you knew at this time of the President's assurance to Dr. Soong that if a request were made personally by Chiang there would be a removal of General Stilwell?



Mr. ALSOP. I did, indeed.

Mr. SOURWINE. That was at what time?

Mr. ALSOP. This was about the middle of October 1943. All the Generalissimo had to do was send a simple telegram saying, "I request General Stilwell's recall." The Generalissimo was a very wise and great leader in my opinion. He suffered from one defect, as I had reason to observe myself, because I sometimes worked with him also. He was completely unfamiliar with the Western World, and he was impressed by this argument that Mme. Chiang and Mme. Kung made.

However, at the end of the first stage of the family fight, which was just before Admiral Mountbatten reached Chungking, he agreed that he would support Dr. Soong and would present the request for General Stilwell's recall.

When Admiral Mountbatten reached Chungking accompanied by General Wedemeyer and General Somervell, he did present this request to General Somervell.

Senator FERGUSON. What month?

Mr. ALSOP. October 1943. This was done, if I recall the circumstances of the time correctly, about 5 o'clock in the afternoon. General Somervell, because General Stilwell was a friend of his, expressed regret that the Generalissimo felt that he could no longer carry on with General Stilwell.

The ladies then rushed in and said, "Now, you see Somervell is for Stilwell, too. It proves everything we have said."

They turned the Generalissimo around. Stilwell was then brought in and made to promise the Generalissimo that he would obey him. It was a rather humiliating scene about which Mme. Kung actually boasted the next morning to General Chennault.

When General Stilwell gave the Generalissimo this promise, the Generalissimo then sent for General Somervell, who was at dinner at General Ho Ying-chin's, and told him not to send the telegram. He did this without telling Dr. Soong. He called in Dr. Soong the next morning at 9 o'clock. He told him then.

Dr. Soong objected bitterly. The Generalissimo was always suspicious of Dr. Soong, and then had a terrible fight with Dr. Soong. He actually threw his teacup on the floor and broke it into quite a number of pieces.

Mr. SOURWINE. Pardon me, just for the sake of the record. You say "actually." Were you there?

Mr. ALSOP. No, but I saw Dr. Soong immediately afterward and heard about it.

Mr. SOURWINE. You are reporting what Dr. Soong told you?

Mr. ALSOP. Yes. Naturally, I wasn't sitting under the table watching the teacup crash down around them.

This incident originated the greatest Chinese political crisis of that month of October 1943.

Dr. Soong, being the leader of a more progressive group in the Kuomintang which had been rising in esteem and influence, had now quarreled irrevocably with the Generalissimo. When he returned to his house he was actually under a kind of modified house arrest; so, during the ensuing months I was one of the very few people in Chungking who actually saw him at all, regularly. I used to go out for walks with him because he was so lonely.

Meanwhile, the Kung group, which through Mme. Kung engineered this coup, swept the board. General Ho Ying-chin overcame all his opposition in the military machine so that General Chen Cheng, who is now Prime Minister on Formosa, was dismissed from command; but, according to a well-authenticated Chungking report, he was also under house arrest.

The Bank of China, which was the biggest institution in China independent of the Kung banking group, was swept into Dr. Soong's control.

The only opposition to the CC group in the Kuomintang headed by Chang Chunganu—he used a Cantonese spelling; I don't understand the Cantonese—was stamped out. You had this tremendous reactionary triumph in the Chinese Government of which in some sense the Generalissimo was thereafter a prisoner because he had made the wrong decision. He had committed himself into General Stilwell's hands.

General Stilwell turned around and ceased to obey him himself immediately after that event. They began quarrelling again right away, as you can see in General Stilwell's diaries.

Meanwhile the success of these reactionary groups caused the most serious demoralization in the whole Chinese governmental structure.

To give you one example of that, the commander of the defending armies, the most important defending army in east China, General Shueh Yueh, whom I have already mentioned, was a member of the more modern-minded and progressive faction. He was detested by General Ho Ying-chin.

According to our Intelligence, a month or so before the Japanese offensive actually commenced, General Ho Ying-chin, who did not have quite the power to dismiss General Shueh Yueh because he had strong provincial roots, attempted to prepare for the dismissal of General Shueh Yueh by cutting off all money and supplies from him.

So that these armies that were defending east China for the Generalissimo were cut off from money and supplies by the Generalissimo's own war minister at the moment when the Japanese attacked.

Mr. SOURWINE. Are you proceeding with your own presentation?

Senator FERGUSON. He is answering my question.

Mr. SOURWINE. I just wondered what is the question.

Senator FERGUSON. The question was this: Did Chiang Kai-shek give notice to anyone other than Henry Wallace that he wanted Stilwell removed.

Mr. SOURWINE. That is what I thought your question was. I was trying to correlate it.

Senator FERGUSON. I still remember my question.

I wonder whether or not I can get this in a couple of minutes. I have to leave the hearing.

Up to that point he gave a message to Somervell. Somervell returned it to him?

Mr. ALSOP. The most important message he gave was to Dr. Soong. Dr. Soong received from the President a promise, if he asked for his removal—Stilwell's removal—Stilwell would be removed.

He was then very forcefully informed by the two ladies and was induced not to request Stilwell's removal.



Having given way at this time and failed to carry out his agreement with the President, he then no longer dared to ask overtly for Stilwell's removal.

Furthermore, his adviser, Dr. Soong, having been driven from the circle around him, had to stick to this information that they had told the Generalissimo that General Stilwell was essential to them.

Therefore, General Stilwell, in a sense, made the Generalissimo his prisoner.

Senator FERGUSON. Then no message is given until Henry Wallace really gets it in the car from the General in a personal conversation?

Mr. ALSOP. Yes, and I think——

The CHAIRMAN. Is that the answer?

Mr. ALSOP. I would argue——

The CHAIRMAN. I don't want you to argue.

Mr. ALSOP. In order to answer—I am trying to answer accurately, if you will permit me to do so.

Senator, I think Mr. Wallace testified——

The CHAIRMAN. Will you just listen to the question?

Senator FERGUSON. As far as your knowledge was concerned, was that the first request?

Mr. ALSOP. I do not think it was a request. I think Mr. Wallace testified, if you will recall, that the Generalissimo did not overtly request General Stilwell's recall. He indicated he would like General Stilwell's recall.

Senator FERGUSON. The substance was he wanted him out?

Mr. ALSOP. That he did not like him.

Senator FERGUSON. Is that the first really that you would consider a request?

Mr. ALSOP. That I know about.

Senator FERGUSON. I have to go to conference.

The CHAIRMAN. I have to go to the same conference. I cannot get anyone to come here. Everybody else is in some meeting or another. It is imperative we be there, I do not know just what to do.

Senator FERGUSON. It is so important we get this conference out.

The CHAIRMAN. There is going to be no recess if we do not.

Senator FERGUSON. That is why we started early, thinking that we could get someone to continue at 10:30.

Mr. ALSOP. Senator O'Connor said he could.

The CHAIRMAN. He has been notified.

Mr. SOURWINE. I will call him again.

Senator FERGUSON. I suggest you just recess to see whether or not we have the other people coming in.

Mr. MORRIS. While we are waiting, may I ask a question?

The CHAIRMAN. Yes.

Mr. MORRIS. You realize the issue about Mr. Budenz' testimony is simply this: Mr. Budenz has testified that the removal of Stilwell was looked upon by the Communists as a wise compromise.

Therefore, the evidence that you produce about the Communists' favorable reaction to Stilwell and his favorable response to them is not in issue at all?

Don't you realize that?

Mr. ALSOP. I can't agree with your interpretation of Mr. Budenz' testimony.

Mr. MORRIS. Will you read it, Mr. Mandel?

Mr. ALSOP. I am trying to show that the removal of General Stilwell was something that no Communist in his senses could conceivably have desired at the moment when Mr. Wallace recommended it.

Mr. MORRIS. You heard Mr. Budenz' testimony?

Mr. ALSOP. Mr. Budenz has testified on a whole series of points.

Mr. MORRIS. On this point?

Mr. ALSOP. I would have to call your attention to quite a number of other passages of Mr. Budenz's testimony. I do not agree with your interpretation of Mr. Budenz's testimony.

I recall the testimony you refer to. It is one part of Mr. Budenz's testimony.

The CHAIRMAN. Just a minute. If I understand the situation correctly, this witness has publicly stated and privately stated that Mr. Budenz has been guilty of perjury before this committee. That is the reason for his presence here. He should state wherein Mr. Budenz has been guilty.

Then he should state the fact that contradicts Mr. Budenz. Anything else means just a running line of theory and opinion, and so forth.

The whole situation should be boiled down to an issue. If Mr. Budenz has lied, this committee wants to know it. We want to know wherein he has lied, and we want this witness to state wherein he has lied, because this is the challenging witness.

He has stated publicly, and that has been put in the record on the floor of the Senate, that Mr. Budenz has been guilty of perjury, and he has intimated that this committee has been guilty of subornation of perjury.

Mr. ALSOP. I do not intimate that.

The CHAIRMAN. It was in your column, and the Senator from New York put it in the record.

Mr. ALSOP. It was not intended to be in there.

The CHAIRMAN. It was, just the same.

I understand that Senator O'Connor may come here. You may proceed.

Mr. MORRIS. On page 2072 of Mr. Budenz' testimony, he quoted from the Daily Worker. This is his testimony:

Then this is the important part I wish to call to your attention. He—  
Frederick Vanderbilt Field writing in the Daily Worker of December 2, 1944—

mentions three conditions, but the third is the one important to the question of General Wedemeyer:

"\* \* \* as to the third, we know only that there was a breakdown over the particular person nominated as commander in chief, General Stilwell, and that President Roosevelt wisely and quickly compromised on that point. There is no indication that the general proposition for an American commander has been refused."

Mr. ALSOP. May I go back in the record, Mr. Morris?

Mr. MORRIS. Yes.

Mr. ALSOP. I don't have to read the record again. We just read the portion, but I will do so.

Mr. MORRIS. You understand that Mr. Budenz there testified that the official Communist reaction to Stilwell's removal was that they considered it a wise compromise.



Is it not implicit in that that the concession is someone is friendly to the Communists?

Mr. ALSOP. I do not agree with your interpretation of Mr. Budenz' testimony.

The CHAIRMAN. You do not answer the question, Mr. Alsop. You argue and you go into long tirades of discussion, but the question is propounded to you by the counsel and why don't you answer?

Mr. ALSOP. My answer to the question is I do not agree with Mr. Morris' interpretation, or Mr. Budenz' interpretation.

The CHAIRMAN. But the record is read to you. Whether you agree to it, or not, the record is read.

Mr. ALSOP. Mr. Budenz has carefully in that part of the record selected one article from the Daily Worker which appeared 1 month after the dismissal of General Stilwell.

The CHAIRMAN. That is his testimony before this committee.

Mr. ALSOP. I am challenging that testimony.

The CHAIRMAN. Yes. Now state the fact.

Mr. ALSOP. If you will permit me, I shall bring a series of documents to show——

Mr. MORRIS. I quoted the December 2 Daily Worker. I have a November 1 issue just 2 days after the dismissal all saying the same thing.

The CHAIRMAN. Dwell on what you have already asked and ask him if he contradicts that and why.

Mr. MORRIS. Yes.

The CHAIRMAN. This is a question of veracity here wherein the veracity of a witness coming before this committee is challenged by this gentleman.

Mr. ALSOP. Senator, I am well aware of that. It is a point that I hoped to come to later on.

Senator SMITH. What is the question?

Mr. ALSOP. My understanding from Mr. Sourwine was that I would be permitted to take up these points in the order in which they seemed to me most logical.

Mr. SOURWINE. Let us have that statement correct, if I may make a statement, Mr. Chairman.

The CHAIRMAN. Yes.

Mr. SOURWINE. I had no understanding with Mr. Alsop. I was present with Mr. Alsop at a conference between him and his attorney in Senator O'Connor's office with Senator O'Connor, at which time Mr. Alsop stated what he would like to do in the way of proceeding here, and the substance of that was he would like to be able to proceed with a presentation of his points, point by point, and that he would welcome questioning as he went along.

It was my understanding that Senator O'Connor took the view that was a reasonable way to proceed. I do not recall that I gave Mr. Alsop any commitments. I am sure Senator O'Connor told him he was expressing only a personal view and that the matter, if a point were raised with regard to procedure, would have to be determined by the committee.

Is that not reasonably accurate?

Mr. ALSOP. I don't think it is quite accurate. In fact, you asked me whether I wouldn't prefer to be asked any questions. I said I would welcome questions. You then suggested that the questioning

be limited until each section or to the close of each section of my presentation.

Mr. Purcell, who is here and who was present at this meeting will, I am sure, recall that you said precisely that. I think it is immaterial.

I would like to come to Mr. Morris' point on which I have considerable documentation.

Mr. SOURWINE. Mr. Morris asked you a question. Let's get back to a starting point. He asked you a question based on Mr. Budenz's testimony.

Mr. MORRIS. Do you realize that we know the witness, Louis Budenz, has testified that the Communist looked upon General Stilwell's dismissal as a wise compromise?

Mr. ALSOP. I do realize that.

I think when Mr. Budenz said so, he distorted fact, Mr. Morris. I shall attempt to prove it to you, if you will permit me to do so.

I am now attempting to give my answer to your question.

Mr. MORRIS. Senator Smith, the witness here has just said that Mr. Budenz has distorted the evidence. I think, therefore, we have to go to the evidence. Therefore, we go to the Frederick V. Field column of December 2, 1944, in the Daily Worker, and read it.

Mr. ALSOP. I would like it to be read from the beginning.

Mr. MORRIS. Read any part you like.

Mr. ALSOP. Could I have it?

Mr. MORRIS. I think you have it here. There it is right there in the record.

Mr. ALSOP. That is the part of it Mr. Budenz chose to quote.

Mr. MORRIS. There is the whole article.

Mr. ALSOP. I would have you note what Mr. Budenz chose to quote.

Senator SMITH (presiding). I do not think that is answering the question. We want to get the facts here. That is a matter of record. If that is what he said, that is what he said.

What do you want to say?

Mr. ALSOP. I have a long answer to Mr. Morris' question.

Mr. MORRIS. If he distorted, the evidence being Frederick V. Field's guest column in the Daily Worker of December 2, 1944——

Mr. ALSOP. Let me——

Senator SMITH. Just a minute. You are not going to run this show.

Mr. MORRIS. If Mr. Budenz distorted the evidence, the evidence being Frederick V. Field's guest column, will you tell this committee how he did it, using the evidence as the direct source?

Senator SMITH. That gives you full leeway.

Mr. ALSOP. Senator, I mean Mr. Budenz distorted the evidence in the sense he left out a whole series of other publications of the same period in the Daily Worker which point in a different direction.

He even left out the beginning in his actual testimony. The article itself is in the record. The beginning of this column which is:

I disagree with those who take an entirely pessimistic view regarding recent developments in China.

That to me means that a great many members of the Communist Party to whom Mr. Field was addressing himself were very much worried about General Stilwell's dismissal and he was seeking to reassure them.

Mr. MORRIS. Reassure them what?

Mr. ALSOP. As to the significance of General Stilwell's dismissal.

If you will permit me, I will try to give you the rest of my answer.



There were 2 documents in the record on Mr. Budenz's side as to the interpretation. There are 2 documents in the record which partly support Mr. Budenz's interpretation of the Communist response to General Stilwell's dismissal. These were the guest column of Frederick Field written a month after the fact already quoted and an article on page 8 of the Daily Worker, issue of November 1, 1944, by Joseph Starobin.

I, myself, as a member of the columning trade would classify these articles under a heading of our business which is, "Don't let's cry too publicly over spilled milk."

I must tell the committee in publicizing these particular comments on the dismissal of General Stilwell a quite remarkable degree of selectivity was shown.

In point of fact the November 1 issue of the Daily Worker in which the Starobin article already in the record appears, shows every sign of being one of those rather frequent Worker issues when the Worker is caught with its party line down, to use Mr. Luce's phrase.

On page 3 of the November 1 issue appears the UP dispatch from Washington describing Stilwell's recall. On page 8 appears the Starobin article already in the record, the theme of which is:

Stilwell's dismissal disclosed the scandalous state of affairs in China and would therefore generate pressure for a Chinese coalition.

On the same page appear selections from Brooks Atkinson's very critical report on Stilwell's dismissal in the New York Times, including a paragraph implying the President did wrong to recall General Stilwell.

Under the cartoon on the editorial page appears a far more important article again by Mr. Starobin. In this article, in the special spot, where I am told readers of the Worker are taught to expect to find the pure distilled milk of truth, Starobin expressed "grave concern" about the dismissal of Stilwell, lauded the General and called him "our favorite General."

We are to believe that the Communist leaders genuinely desired the dismissal of their favorite General?

I suggest to the committee——

Mr. MORRIS. Was that your remark or the remark from Starobin?

Mr. ALSOP. I ended the quote; "our favorite General" is the quotation.

Mr. MORRIS. Read his testimony.

Mr. ALSOP. My testimony says: "Are we to believe"——

Mr. MORRIS. Read the record back.

(The record was thereupon read by the reporter)

Mr. ALSOP. I was reading from my testimony.

Mr. SOURWINE. Won't you read back that part just to see whether you have "grave" in quotes?

Mr. ALSOP. "Grave" should not be in quotes. Nor did I put it in quotes.

Mr. SOURWINE. It sounded as though you said he expressed "grave concern".

Mr. ALSOP. I used the word "concern".

May I continue?

Senator SMITH. Yes.

The last observation you made was a matter of argument and not a statement of fact. It seems to me we ought not to load down this record with your conclusions, your arguments about the matter.

Rather, you should give us the benefit of the facts. If you will read the last thing you said, it was clearly argument.

Mr. ALSOP. It was my attempt to answer.

Senator SMITH. Let's read back the answer just now at the end of his answer, just the one last sentence.

(The record was thereupon read by the reporter, as follows:)

Are we to believe that the Communist leaders genuinely desired the dismissal of their favorite general?

Senator SMITH. We want the facts.

Mr. ALSOP. That seems to me responsive to Mr. Morris' question.

Mr. SOURWINE. Before we go beyond that point, there is something I think should be focused and that goes back to a previous colloquy which I had with the witness.

I mean at a time when he had stated that Mr. Budenz had made the assertion that the Stilwell dismissal was something desired by the Communists.

At that time the witness attempted to find that statement in Mr. Budenz' testimony and it did not turn up in Mr. Budenz' testimony.

Now, the focus is on the question of whether the Communists desired the dismissal of General Stilwell. Since Mr. Budenz never said they did, I am wondering about the pertinency of this particular testimony. It seems the focus is off.

Mr. ALSOP. I am trying to show the Communists very much did not want the dismissal of General Stilwell.

Mr. SOURWINE. Assuming you show it, what does it prove with regard to your general thesis here?

Mr. ALSOP. It proves the main act of Mr. Wallace's mission in which Mr. Vincent participated which Mr. Budenz has testified carried out a Communist objective was something that the Communists did not want and could not have wanted.

It seems to me very pertinent.

Mr. MORRIS. With particularity, Mr. Alsop, when he came to talking about the Stilwell release, he said that they looked upon the thing as a wise compromise?

Mr. ALSOP. There is a great deal more evidence I would like to put in the record.

Mr. MORRIS. That is what we are waiting for.

You are reading now from the Daily Worker?

Mr. ALSOP. I read from the Daily Worker.

Mr. MORRIS. Of November 1, 1944, the Starobin article?

Mr. ALSOP. There are a series of others.

Mr. MORRIS. That begins—

The sudden withdrawal of Gen. Joseph Stilwell from his Burma-China post has won outstanding merit.



Mr. ALSOP. Yes, and read it on.

Mr. MORRIS. What part do you want?

Mr. ALSOP. The part where it says, and I will read it for you:

An American general who got his four stars only last August, is removed from a theater which he knows well from a country where he has fought a successful campaign, and Americans are concerned. They obviously have every right to be concerned.

I continue:

We don't know the facts, of course, but one more thing is significant. Vinegar Joe Stilwell had years of experience working with the Chungking authorities as well as the British India Command. He knows the situation from the Burma-Southern China end of it. He has not been in the Communist area of China at all, yet he must have arrived at the conclusions very similar to those our military mission in Yenan will reach. Something is rotten in Chungking and that something stems from the blockade against Yenan—

which Stilwell was working very hard, may I interpose, to lift.

Then he continues——

Mr. MORRIS. Does that not go to establish Budenz's testimony that they looked upon it as a wise compromise?

Mr. ALSOP. It does not, in my opinion.

Mr. MORRIS. If something is a wise compromise, there are some advantages given up.

Mr. ALSOP. Here he said:

You realize to what depths the corruption and political oppression have driven free China. This is the heart of the problem. It will hardly be cured by the withdrawal of our favorite American general, although this withdrawal may precipitate the changes that are overdue in China.

Mr. MORRIS. Do you quote that in support of, or in opposition to?

Mr. ALSOP. I quote that in opposition to Mr. Budenz' testimony.

I would like to continue with my analysis.

Senator SMITH. I want you to say everything you want to say and present the facts. I believe you say that Mr. Budenz perjured himself. Isn't that what you said?

Mr. ALSOP. I said he had not told the truth.

Senator SMITH. You know he was under oath?

Mr. ALSOP. Perjury is a technical, legal matter.

Senator SMITH. Anything that you want to say bearing on that point, I want to give you full leeway, because you have made a serious charge against Mr. Budenz. I want you to have full chance to vindicate yourself and to condemn him, if you can.

My remark was it seemed you make one statement of fact a quasi-statement of fact and then you go into argument. The argument is something we want to leave out of the record.

I realize there will be times when it is hard to distinguish.

In these cases where you are discussing the nature of the Communist Party line, it is practically impossible to leave the argument out of the record.

Mr. ALSOP. My interpretation of this November 1 issue of the Worker is very simple. I suggested to the committee in this issue of the Worker, having been caught without a clear party line, the editor, Mr. Budenz, put in a little bit of everything all the way from the Atkinson condemnation of Stilwell's dismissal to the main Starobin article on the editorial page lauding General Stilwell, to the Starobin article on page 8, in which he says that perhaps Stilwell's dismissal

might be a good thing, because it will blow the roof off in China and force reforms.

Mr. MORRIS. Then at that point will you not concede that Joseph Starobin is the authority in the Daily Worker and not Brooks Atkinson's news report?

Mr. ALSOP. Will you not concede—

Mr. MORRIS. Will you answer the question?

Mr. ALSOP. I said "Yes." Will you not concede that the article on the editorial page which describes General Stilwell as "our favorite general" is in Daily Worker usage a much more important article in terms of instructing people as to the party line than the article on page 8.

Mr. MORRIS. Should I be sworn, Mr. Chairman?

Senator SMITH. I do not know that that is up to you to answer that, Mr. Morris.

Mr. ALSOP. This is a matter of common knowledge.

Mr. SOURWINE. If I may interject, I think it will help, I hope it will, because the issues are getting fogged. We have been down some alleys a few times this morning, but perhaps I should say we have been chasing upstairs to go after the little boys in the windows with pea shooters when we should be marching on down the street with the parade.

I would like to get this thesis of Mr. Alsop's laid out before us.

Mr. ALSOP. Now that we have started this story, if I may interject, I would just as soon end the issue of what the Daily Worker said.

Mr. SOURWINE. I am sure you would. I think this would be helpful.

Assuming that for the sake of argument that it is established that the Daily Worker and the Communist Party did not desire the replacement of General Stilwell, that would be one of the points you are trying to establish?

Mr. ALSOP. That would be a very mild way of putting a point I am trying to establish. I am trying to make the point that the removal of General Stilwell which Mr. Wallace recommended, with Mr. Vincent's concurrence, was the very last thing the Communist Party desired.

Mr. SOURWINE. I am glad you stated it that way. Assuming the removal of Stilwell is the last thing they desired, and assuming that Mr. Vincent did have a part in the recommendations made by Mr. Wallace in his Kunming cables, necessarily in order to establish, even with those two facts, that Mr. Budenz was lying, you must also establish that it was the influence of Mr. Vincent which resulted in the removal of General Stilwell, or the recommendation for his removal.

Is that not correct?

Mr. ALSOP. I don't think it is quite an accurate way of putting the situation.

Mr. SOURWINE. Just a minute, sir. Suppose, Mr. Alsop, that the decision to convey to the President the Generalissimo's desire that General Stilwell be replaced had been made by Mr. Wallace. At that moment, what would the Communist line have been?

Mr. ALSOP. I think the Communist line at the time of Mr. Wallace's recommendation to the President was quite opposite to Mr. Wallace's recommendation in a most violent way.

I shall try to prove that.



Mr. SOURWINE. I understand that. We have had no testimony from Mr. Budenz that the Communist line was in favor of, or was not opposed to the removal of General Stilwell.

Mr. ALSOP. We have had testimony from Mr. Budenz.

Mr. SOURWINE. The record of Mr. Budenz——

Mr. ALSOP. May I finish my answer, Mr. Sourwine?

We have had testimony from Mr. Budenz Mr. Wallace's mission carried out the Communist objective under the guidance of John Carter Vincent who was a member of the Communist Party.

I am trying to show the committee that it did not carry it out.

Mr. SOURWINE. You are addressing yourself entirely on the assumption that the particular Communist objective referred to was the dismissal of General Stilwell.

I am attempting to show there may be another possibility.

Mr. ALSOP. Mr. Sourwine, there may be another possibility. If we could get to that in an orderly way, I would like to comment on it, if you feel it is necessary.

The subject before us is the heart of Mr. Budenz' testimony, which is the Wallace mission "carried out" a Communist objective and again I quote:

toward which Mr. Wallace was guided by Mr. Vincent who was a member of the Communist Party.

I submit to you that it is quite irrelevant whether Mr. Budenz has testified, or hasn't testified about the party line at the time that Mr. Wallace was in China.

I feel further, if I may say so, that the Communist reaction to the fait accompli of General Stilwell's dismissal does not give very much light on what the party line was at the time when Mr. Wallace made his recommendation.

Mr. SOURWINE. What difference does it make?

Mr. ALSOP. Since Mr. Morris has raised this question about the Communist reaction, I think a distorted picture has been given. I am trying to correct that picture.

Mr. MORRIS. I did not raise it. Mr. Chairman, will the record show I did not raise it? It is Mr. Budenz' testimony that Mr. Alsop is endeavoring to challenge.

Mr. ALSOP. It was brought into the hearing this morning by you.

Senator SMITH. It seems to me that you are challenging the testimony of Mr. Budenz. Manifestly the Chair does not know whether Mr. Budenz told the truth or not. He was sworn here to tell the truth just like you were sworn to tell the truth. I assume you were sworn this morning. You challenge what Mr. Budenz said.

Can you not confine yourself to correcting what you say is an erroneous statement by Mr. Budenz without a great deal of argument and extraneous talk? That is what I am interested in, the facts.

Mr. ALSOP. When you are talking about Mr. Budenz' testimony, he is not testifying as to fact, if I may say so. He has testified as to the interpretation to be placed on the Daily Worker.

Mr. SOURWINE. If Mr. Budenz has not testified as to fact, he cannot be accused of perjury.

Mr. ALSOP. In the specific passage that Mr. Morris has brought into the hearing this morning Mr. Budenz sought to show by interpreting an article in the Daily Worker that a certain thing was the fact,

namely, that the Communists were not displeased by the dismissal of General Stilwell.

Mr. SOURWINE. Mr. Budenz did not attempt to show that, did he?

Mr. ALSOP. It is my understanding.

Senator SMITH. You say you read Mr. Budenz' verbatim testimony.

Mr. ALSOP. I listened to it.

Senator SMITH. Were you here the day he testified?

Mr. ALSOP. Yes; I was, sir.

If it is agreed that the Communists were deeply displeased by the dismissal of General Stilwell, then I think we can drop this whole subject.

Mr. SOURWINE. Mr. Alsop and Mr. Chairman, if the Chair please for just a moment now, the contention has revolved around a statement made by Mr. Budenz which has been read by the witness several times to the effect that on Mr. Wallace's mission he was guided by two named persons, Lattimore and Vincent, and, by Mr. Budenz' statement, that in the opinion of the Politburo they did their job well.

Mr. Alsop is attempting to challenge that on the grounds that a specific recommendation as he interprets—

Senator SMITH. Let me ask right there; there is nothing in the testimony that Mr. Wallace was knowingly influenced by them, is there?

Mr. SOURWINE. No, sir; there was not, and that is the point.

Mr. ALSOP. Senator, I put it to you, sir—

Senator SMITH. Let him finish the question.

Mr. SOURWINE. If you are challenging Mr. Budenz' statement that the Politburo was satisfied with the guidance given Mr. Wallace, is it not necessary, in order for you to successfully challenge that, to show that there was nothing accomplished by Mr. Lattimore and/or Mr. Vincent which was in favor of the Communists?

Do you feel you can successfully challenge Mr. Budenz' statement by showing that Mr. Wallace did something that was not in complete accord with the Communist line?

Mr. ALSOP. I think I can successfully challenge Mr. Budenz' statement by showing that the chief result—

Mr. SOURWINE. No, answer my question.

Mr. ALSOP. I am trying to answer your question.

Mr. SOURWINE. You are not trying to answer it; you are trying to evade it.

Mr. ALSOP. I am not trying to evade it. If you will allow me to complete my sentence, I believe you will find I am trying to answer it.

Senator SMITH. Will the reporter read the question back?

(The question was read back by the reporter.)

Mr. ALSOP. I submit to you, Mr. Chairman, that if you can show the main result of the Wallace mission was a profoundly anti-Communism act, you successfully challenge Mr. Budenz' evidence.

Mr. SOURWINE. Not unless you show that everything Mr. Wallace did was the result of the influence of Mr. Vincent or Mr. Lattimore. If Mr. Wallace did anything independently on his own, if he was not a complete stooge of the Communists or a Communist agent—and no one is alleging that and no one has alleged it—then what you have just said is not the logical fact.



Mr. ALSOP. Mr. Vincent participated and joined in this recommendation for the dismissal of General Stilwell. This was the extent of guidance that Mr. Vincent gave Mr. Wallace.

Mr. SOURWINE. That is different testimony. If that was the complete extent of the guidance Mr. Vincent gave Mr. Wallace, then you are coming around to the theory which was advanced, to wit, that there was nothing accomplished which would have been pleasing to the Communists.

Mr. ALSOP. If you will excuse me, Mr. Sourwine, I am saying what was accomplished with Mr. Vincent's participation and concurrence was profoundly displeasing to the Communists.

Mr. SOURWINE. Put it this way: If Mr. Vincent through his influence on Mr. Wallace accomplished anything which was pleasing to the Communists, then Mr. Budenz' statement cannot be said to be perjury. Is that not accurate?

Mr. ALSOP. Could you repeat that? You are getting so complicated, Mr. Sourwine, I did not understand your question.

Senator SMITH. I am certain I do not understand either one of you. Do you want the question read back, Mr. Sourwine?

Mr. SOURWINE. I do not desire it.

Senator SMITH. Will the reporter read it back?

(The question was read by the reporter.)

Mr. ALSOP. I would not say that that was accurate because it is a substantial disproof of Mr. Budenz' statement that Mr. Vincent guided Mr. Wallace toward the Communist objective. The principal guidance that Mr. Vincent gave Mr. Wallace was toward a profoundly anti-Communist objective.

Mr. SOURWINE. There was no named objective, was there, Mr. Alsop?

Mr. ALSOP. Well, Mr. Sourwine, what I am trying to show is that the main result of Mr. Wallace's mission was profoundly anti-Communist.

I think if you will permit me to proceed with the presentation of the very large quantity of documentation that I have, you will be convinced.

Mr. SOURWINE. Do you contend that Mr. Wallace's mission and its results were controlled entirely and shaped entirely by Mr. Vincent?

Mr. ALSOP. I do not so contend. I think Mr. Budenz grossly exaggerated in that report.

Mr. SOURWINE. If Mr. Vincent did not control what Mr. Wallace did, then nothing that Mr. Wallace did can be attributed to Mr. Vincent's influence, can it?

Mr. ALSOP. That is a question to me, Mr. Sourwine?

Mr. SOURWINE. Yes, sir.

Mr. ALSOP. I cannot possibly agree with that because Mr. Vincent did in fact join in guiding Mr. Wallace or influencing Mr. Wallace toward a profoundly anti-Communist act. This is the essence of the whole situation.

Mr. MORRIS. Mr. Chairman, I think it might be pertinent to bring this out at this time since we are talking about Mr. Wallace.

Mr. Alsop, did you testify in executive session that Henry Wallace was for a period of time the stooge of the American Communists?

Mr. ALSOP. Yes; I have written that publicly.

Mr. MORRIS. Do you contend he was not a stooge for the Communists at this particular time?

Mr. ALSOP. Because I saw him not being a stooge.

Mr. MORRIS. The time he was a stooge was a later time?

Mr. ALSOP. Yes.

May I proceed with this very complex presentation? I am desperately sincere. I completely believe in the committee's good faith. These are very complicated facts, and unless they are presented in an orderly manner, it is very hard for them to be related to one another. I have made rough notes for the specific purpose of presenting it to the committee in the least time-consuming way possible.

Senator SMITH. As I understand, Mr. Alsop, you requested to be heard by the committee?

Mr. ALSOP. That is correct.

Senator SMITH. So I consider that to be slightly different from a person we have subpoenaed here to ask specific questions. Unless there are some questions from Senator O'Connor, we will let Mr. Alsop proceed in the way he wishes to proceed. Mr. Sourwine and Mr. Morris can make notes of questions they want to come back and ask him as on cross-examination.

Senator O'CONNOR. I quite agree, Mr. Chairman. I think that is the orderly way. I think it will enable us expeditiously to get to the end. I did, however, understand Mr. Alsop to suggest himself that he would welcome interrogatories at any time.

Senator SMITH. I know, Mr. Alsop, in the first place if we are going to examine witnesses that we subpoena to get precise facts from, the committee's counsel has to do it in the way that seems the most logical to him to bring out the facts that he wishes to ascertain.

By the same token, when you come in asking to be heard we want to give you a chance to express in your own way and as you deem logical—whether in fact it is logical or not—to develop the facts you are going to give us. It is perfectly all right with me and Senator O'Connor. We do not want to load the record down with a lot of extraneous arguments and conclusions. We want as near facts as can be given.

Mr. ALSOP. I will attempt not to.

Mr. MORRIS. May I point out that the reason for my inquisition was that Mr. Alsop is making frequent references to General Stilwell, and with respect to that particular part of Budenz' statement that related to General Stilwell, I wanted the testimony read into the record.

Senator SMITH. I was not here when that took place. As I understood, there was some question as to whether or not Mr. Alsop was referring to testimony actually in the record by Mr. Budenz.

Mr. MORRIS. That is right. When we talk about General Stilwell we should address ourselves to Budenz' Stilwell testimony.

Senator SMITH. All right, start from here.

Mr. ALSOP. I have already shown, Senator, that on the basis of General Stilwell's own papers, that at that time when Mr. Wallace recommended General Stilwell's dismissal, with the concurrence and approval of Mr. Vincent, with the encouragement, I might say, of Mr. Vincent, General Stilwell believed that the only cure for China's troubles was "to eliminate" Chiang Kai-shek and that he regarded the Chinese Communists as "the only hope" of the Chinese masses.

This is General Stilwell's attitude which he was expressing to the home authorities and which he encouraged his staff—to which I can



testify from personal knowledge because they used to say they were encouraged by him—to disseminate throughout Chungking, with grave damage to the Generalissimo's prestige.

Furthermore, and this is the crucial point, General Stilwell, the man whose dismissal Mr. Wallace recommended, had a plan for giving practical effect to his preference for the Chinese Communists, which was maturing just at the moment when Mr. Wallace reached China.

In Mr. Wallace's cable the committee would have noted that the Japanese offensive was inflicting disastrous defeats on the Generalissimo's armies in east China and these defeats were weakening the generalissimo's position. General Stilwell's plan was to exploit this weakness of Chiang Kai-shek in order to extort for himself a further great increase of power in China.

General Stilwell further intended to use this increase of his own power in China in order to give American arms to the Chinese Communists. He went to very great lengths to further this plan of his to increase his own power in order to arm the Communists.

I can recall, for example, an occasion in July when General Chenault urgently asked General Stilwell for permission to divert 1,000 tons of Fourteenth Air Force ammunition and other supplies to the hard-pressed, naked, and exhausted Chinese troops who were fighting the Japanese in the eastern provinces.

General Stilwell's chief of staff replied after long delay that the boss was working on a proposition which might give this spot (namely the generalissimo's government) a real face-losing and concluded that while this proposition was pending the Chinese armies could be granted no aid.

I should interpose here, Senator, that I testify here from my own knowledge. We were so astonished by this telegram refusing aid to the Chinese armies in order to promote this proposition that we had inquiries made in Chungking and we learned from official sources in General Stilwell's staff that General Stilwell was planning to ask for this great increase in power, that he thought he would be more likely to get the increase in power if the generalissimo's position were weakened by defeat and therefore he would not aid the Chinese armies.

Senator SMITH. Now were the Chinese armies to which you refer the Nationalist forces or the Communist forces?

Mr. ALSOP. They were the Chinese Nationalist forces.

Senator SMITH. Very clearly?

Mr. ALSOP. Yes; and at that time they were engaged in a great battle in east China against the Japanese, and the defeats in east China, as Mr. Wallace's cables show, had gravely undermined the political and economic strength of the generalissimo's regime.

I should say that when I quote this telegram I do so from memory. I was so shocked at the exact language it stuck in my mind for these 7 years. I think it is verbatim. I suppose the War Department files, if you dug through them, would show it.

That summer General Stilwell's prestige at home had been greatly increased by his victory in Burma, while the generalissimo's standing had suffered greatly from the east China disaster, which General Stilwell had in turn painted in the darkest light of the American Government, placing the blame on Chiang Kai-shek.

Thus, although President Roosevelt had always been uneasy about General Stilwell's qualifications, as shown by his earlier willingness to recall him if the generalissimo so requested, the President was induced in the summer of 1944 to ask the generalissimo to grant to General Stilwell the desired large increase in his powers in China.

Major General Hurley as was sent to Chungking as the President's "personal representative" to secure Chiang Kai-shek's consent to this increase in General Stilwell's powers.

Senator SMITH. How do you know that last statement to be a statement of fact? Were you there or is it something that Major General Hurley said?

Mr. ALSOP. I was there. I heard about it from General Hurley. I also heard about it later from Dr. Soong, who participated in the negotiations.

Senator SMITH. I am pointing that question to what you heard yesterday about introducing evidence here that is statements of somebody that has not been sworn to by anybody. I want to make certain that you did know about that to your own knowledge or sufficiently close to your knowledge that we should accept it.

Mr. ALSOP. Dr. Soong gave me a full account of what happened at this time, and he was one of the participants in the negotiations before I left China in 1945.

In the Hurley-Chiang negotiations the great sticking point was the control of military lend-lease, for Stilwell needed to have full authority over lend-lease distribution in order to be able to arm the Chinese Communists.

A Stilwell diary entry, dated September 16, 1944, tells the story:

The Generalissimo insists on control of lend-lease, our stuff that we are giving him. T. V. says that we must remember the dignity of a great nation, which would be affronted if I controlled the distribution.

"I" being General Stilwell—

Pat Hurley told him, "Horsefeathers. Remember, Dr. Soong"—  
here he is quoting General Hurley—

"that is our property. We made it and we own it and we can give it to whom we please." Hooray for Pat. If the Generalissimo controls distribution, I—

again being General Stilwell—

am sunk. The Reds will get nothing. Only the Generalissimo's henchmen will be supplied, and my troops—

here he was referring to the personal Chinese force under his general command—

will suck the hind teat.

A few days earlier Hurley had succeeded in getting for Stilwell the desired grant of great additional power, but a personal crisis between General Stilwell and the Generalissimo fortunately blew up at the last moment causing the Generalissimo to change his mind completely and to ask the President for General Stilwell's recall.

I should say here that General Hurley, having finally observed General Stilwell's real method of dealing with the Generalissimo, then supported the request for General Stilwell's recall.



On September 26, after his recall had been requested, General Stilwell wired the Joint Chiefs of Staff, and here I quote from the State Department white paper, in which these papers do appear:

Chiang Kai-shek has no intention of making further efforts to prosecute the war. He himself is the main obstacle to the unification of China and her cooperation in a real effort against Japan. I am now convinced the United States will not get any real cooperation while Chiang Kai-shek is in power.

Later, after he had been dismissed and returned to Washington, General Stilwell concluded his final official report to the War Department by advising an American policy in China of—

exerting pressure on Chiang Kai-shek to cooperate and achieve national unity and if he proved unable to do this, then supporting those elements in China which gave promise of such development.

Just which elements General Stilwell referred to may be guessed from the curious appearance in the first issue of Johannes Steel's fellow-traveling report on World Affairs of a letter that General Stilwell wrote on April 16, 1946, shortly before he died.

In this letter General Stilwell declared that he itched—

to throw down my shovel and get over there and shoulder a rifle with Chu Teh.

For the committee's information, Chu Teh was the most conspicuous Communist commander actually engaged in the civil war against the Chinese Nationalists.

I no longer have this letter of General Stilwell's, which was originally included in the Steel report, although the committee's research staff can no doubt secure one, but I offer for the record Johannes Steel's commentary including the passage I have quoted, together with the pertinent excerpts from General Stilwell's wire to the Joint Chiefs of Staff and a report to the War Department which appear in full in the State Department's white paper; the pertinent excerpts from the Stilwell papers including many which I have not burdened the committee's time with; and a copy of Stilwell's intelligence report in 1938 taken from the Whittaker Chambers' pumpkin papers.

These documents tell Stilwell's story succinctly, clearly, and irrefutably.

I must say to the committee in all honesty and frankness I do not for one moment believe that the story these documents tell is one of active conscious disloyalty to the United States. Here, Mr. Chairman, if I may, I am engaging in an opinion because I don't want to blacken the name of a dead man.

There is a distinction too little made nowadays between disloyalty and bad judgment. General Stilwell was a passionately loyal American, a brave leader of troops in the field, a man with many fine qualities that commanded confidence from many different kinds of men. His weaknesses, which did not appear on the surface when he was selected to command in China, because Gen. Hugh Drum did not want to go out, were an astonishing capacity for hatred and the worst imaginable political judgment.

Because of his bad judgment, General Stilwell could see no American interest in China except to use the Chinese to "beat the Japs," a favorite phrase of his. Because he continually disagreed with the Generalissimo on how the Chinese were to be used to beat the Japs, he came to hate Chiang Kai-shek with a consuming hatred, which is revealed in what he wrote about him.

Because he so hated Chiang Kai-shek, because he imagined the Chinese Communists were really fighting the Japanese, and because he could see no long-range American interest in China, he came to wish for and even to work for the triumph of the Chinese Communists in China, and in all this General Stilwell largely carried most members of his staff along with him, and again I feel they were completely loyal, as theater commanders are apt to carry along their staffs in wartime.

At the same time the committee must see from the evidence already placed in the record that General Stilwell was an invaluable and incalculable and irreplaceable asset to the Chinese Communists. This was the man whose dismissal from China was the main act of the Wallace mission to China which is supposed to have attained the Communist objective under the guidance of Mr. Vincent, who concurred in the recommendation that General Stilwell be dismissed.

Senator SMITH. Mr. Alsop, with reference to the statements you have made, if General Stilwell were living today, do you suppose he would agree with your statements on that or deny them?

Mr. ALSOP. The damaging statements I have made on Stilwell are taken from papers he has actually written. I think he would certainly say he was a loyal American.

Senator SMITH. Did he say he was working for the Communist cause over there in China? Did he ever make that statement?

Mr. ALSOP. Senator, he desired to arm the Chinese Communists, and he wrote that the only cure for China's trouble, and here I quote, "was to eliminate Chiang Kai-shek," and he also wrote, and again I quote, "the only hope of the Chinese mass was the Chinese Communists."

You take it all together, and I think you have a very consistent picture that should appeal to your legal mind.

Senator SMITH. Do you have any evidence that he did anything for the purpose of helping the Chinese Communists control China?

Mr. ALSOP. Senator, I think that offering to arm the Chinese Communists and refusing to arm the Generalissimo is about as direct a contribution as you could possibly make to that.

Senator SMITH. That might have been because of his hatred of Chiang Kai-shek. Sometimes you hate somebody so badly that you are willing to do something against somebody you do not hate quite as bad.

Mr. ALSOP. I departed from my agreement with you, sir, to indulge in commentary in order to say that General Stilwell in my opinion was a passionately loyal American who did not understand the political significance of this policy that he was developing.

Senator SMITH. There were a great many other Americans, and some very prominent ones, who agreed that Chiang Kai-shek was not handling his forces or the supplies we sent him in a proper manner.

Mr. ALSOP. It was all perfectly understandable except that I think in the light of the record you have to agree that General Stilwell was a very major Communist asset in China. That is the only point I am trying to make.

Mr. MORRIS. Which point, you understand, is not in issue here because it is conceded by all parties.

Mr. ALSOP. There is further documentary evidence of a very impressive kind for the position that I have put forward, Mr. Chairman.



I refer to a very remarkable letter from Maj. Gen. C. L. Chennault dated July 6, 1945, requesting General Wedemeyer to relieve him of command in China.

I should like to give this letter to the chairman because it is a personal and unhappy letter, and it refers to a lot of ugly ghosts from the past, and I don't think it ought to go in the record except where the passages are pertinent.

Senator SMITH. I would have to have counsel for the committee to pass on whether or not there is anything pertinent here that ought to be put in the record. Now I do not think you should offer it unless you are willing to have the whole thing go in the record if it appears pertinent.

Mr. ALSOP. In that case I will withdraw it.

Senator SMITH. I do not want the responsibility of saying whether it should be put in or not.

Mr. ALSOP. It is a sad document with much that is irrelevant to this inquiry. As I understand it, your committee does not want a lot of unnecessary personality.

If I may, since I drafted the letter for General Chennault, I would like to testify as to the pertinent passages. Is that permissible?

Senator SMITH. I do not think it is unless you are going to offer the letter for us to examine to decide whether or not we think there are other pertinent passages. Manifestly if you are going to offer one part, we ought to have a chance to see it and decide whether or not another part is pertinent.

Mr. ALSOP. Well, I withdraw it. I don't think it is necessary to sustain the point any further that General Stilwell was of great value to the Communists in China.

Mr. MORRIS. In that connection, Mr. Alsop, just to aid you in that narrative, you wrote in the Saturday Evening Post of January 7, 1950, the following passage on page 17:

Throughout the fateful years in China, the American representatives there actively favored the Chinese Communists. They also contributed to the weakness, both political and military, of the National Government. And in the end they came close to offering China up to the Communists, like a trussed bird on a platter, over 4 years before the eventual Communist triumph.

Was Mr. Vincent one of the American representatives indicated in that?

Mr. ALSOP. Mr. John Carter Vincent had no part in this at all.

Mr. MORRIS. Who were the American representatives?

Mr. ALSOP. If you will read the rest of that article, you will find that the article concerns General Stilwell almost exclusively, and this was a description of General Stilwell's plan.

There is a very false impression that has got abroad that the State Department and the representatives in the State Department had very much influence on American policy in China. Actually they had almost none.

I can recall Ambassador Gauss telling me—I am sure he was exaggerating greatly, but it indicates the mood in which they lived—that he sent a report every spring, and he sent them a message the next January reminding them that he had been right, and that was as far as he troubled to go because he knew it wasn't any use at all.

Mr. Vincent during this period under discussion was in China very briefly or relatively briefly, to my knowledge—he may have been there

earlier—in the Chungking Embassy. He was removed and replaced by Mr. George Acheson long before the Chiang-Stilwell relationship had become absolutely critical. I think he left in the winter of 1943, and 1944 was the crucial year referred to in this passage that you have just introduced, which states more accurately than I can, giving testimony in this manner, the real effects of General Stilwell in China.

Mr. MORRIS. When you say the American representatives there, precisely whom do you mean?

Mr. ALSOP. I mean Stilwell and his staff.

Mr. MORRIS. Who was on his staff?

Mr. ALSOP. General Stilwell had, I think, six staffs, Mr. Morris.

Mr. MORRIS. To whom are you referring when you make the statement?

Mr. ALSOP. I meant General Stilwell and his staff.

Mr. MORRIS. Will you name the staff?

Mr. ALSOP. I can't possibly name his staff. He had six staffs.

Senator SMITH. How do you know his staffs were included in this group if you did not know them?

Mr. ALSOP. Mr. Chairman, I was there at the time.

Senator SMITH. But that is a statement of fact that you made in this article. Now Mr. Morris is asking you who were the individuals to which you referred. Now I think that is something you ought to be able to tell us.

Mr. ALSOP. General Stilwell's chief staff officers in Chungking at the time under reference were General Hearn, who sent the telegram I have already quoted from about the proposition, and General Ferris, who was a rather meaningless man. Most of them, Mr. Chairman, were people—in fact, all of them were people—who simply did exactly what General Stilwell told them.

Senator SMITH. He is asking you who are the parties to which you referred. I think that is a fair question. You have made a statement in a written article in which you have said, "The American representatives." Who are those persons to which you referred besides the ones you mentioned?

Mr. MORRIS. In aid of Mr. Alsop's memory, I should like to point out on that same page, page 17, he points out that—

It resulted in political intelligence so bad that Stilwell's chief political adviser, John P. Davies, Jr., once seriously accused the Generalissimo of traffic with the Japanese, on the odd authority of the vice chairman of the Chinese Communist Party, Chou-En-lai.

Therefore, you are clearly talking about political intelligence, are you not?

Mr. ALSOP. I am not talking about political intelligence at all, Mr. Morris. Your deductions are very far-fetched indeed. I am talking about the over-all effect of General Stilwell and his staff.

Now that you have brought Mr. Davies in, if you will allow me to say, the most gross injustice has been done to Mr. Davies and also to Mr. Service, not in the sense of saying that their policy was wrong, because I cannot say that their policy was wrong because I took the lead in fighting it, and not in the sense—

Senator SMITH. Now are we going afield when we get into those names and what they did? I think we had better stick to the subject we have before us. I should like to have you tell Mr. Morris who the persons are to whom you referred.



Mr. ALSOP. I referred to General Stilwell and his whole staff, including, of course, his political advisers.

Senator SMITH. Now, can you tell us who they were?

Mr. ALSOP. His political advisers shifted from time to time. Mr. Davies and Mr. Service were the chief ones.

Senator SMITH. If you make a statement of that sort, do you not think the men who were on his staff should have a chance to be called here to say what they did?

Mr. ALSOP. Mr. Morris made the statement.

Senator SMITH. But it is your statement.

Mr. ALSOP. It is a magazine article that I wrote some time ago. I particularly did not want him to introduce Mr. Davies and Mr. Service because that is a separate and very complex subject all of its own, and I think they were also, like General Stilwell, passionately loyal but mistaken Americans.

Now a man is not to be denounced as disloyal because he has made a mistake. It is a very unpleasant thing. It is not relevant to the inquiry.

Senator SMITH. Did you not say in this article in the Saturday Evening Post that—

The main contributors were Stilwell himself, John Davies, and probably Davies' assistants, John S. Service and Raymond Ludden.

Mr. ALSOP. Ludden was also one of his political advisers.

Senator SMITH. Now can you think of any other names of those on his staff that you referred to in this article?

Mr. ALSOP. I referred to General Hearn and others.

Senator SMITH. Who else?

Mr. ALSOP. I referred to General Dorn. He was a strongly prejudiced man. There was a whole series of them.

I think it is very unfortunate, Mr. Chairman, to bring these men's names into this open hearing because I do not think they were disloyal. I thought they were very mistaken. I testified I did not think that General Stilwell, who completely dominated all of them, as disloyal. I thought that he was mistaken. The source of their error was General Stilwell's error.

Senator SMITH. Do you not think there were more people with bad judgment than disloyalty in all of these matters?

Mr. ALSOP. Yes, but unfortunately, Mr. Chairman, these men have been attacked as disloyal.

As long as their names are mentioned, I feel I must say to the committee I don't think they were disloyal. At the same time, it seems to me this inquiry is not germane to Mr. Budenz' truth or untruth.

Senator SMITH. A lot of this is not germane, I think, in a lot of testimony discussed.

Were there any persons on Stilwell's staff or any of his staff that you would say were not misguided and who did have the right idea about how to approach the problem in China?

Mr. ALSOP. There was General Merrill, who was a very wise and able officer, who constantly tried to patch things up and never quite succeeded in doing. There was a very brilliant leader of Chinese troops in the field, Colonel Condon.

General Stilwell had a very curious habit of surrounding himself by people who never disagreed with him at all. His intelligence officer at the end of his service in China was Colonel Dickey. You didn't

hear much dissent from General Stilwell's views from members of General Stilwell's staff. If you had heard it, they would have ceased to be members of General Stilwell's staff as soon as it got to his ears, and like all staffs everyone was telling tales on everyone else.

Senator SMITH. That is true politically also.

Mr. ALSOP. I agree this is an ordinary human trait.

May I continue, Mr. Chairman?

Mr. MORRIS. May I point out the relevancy of this? Mr. Alsop has stated it was unfair to introduce his own writings at this open hearing. Now the particular question I asked him was with reference to the statement—

Throughout the fateful years in China, the American representatives there actively favored the Chinese Communists.

I asked Mr. Alsop if one of the American representatives there was John Carter Vincent.

Mr. ALSOP. Mr. Morris, you also brought out later—

Senator SMITH. Could you answer that question there?

Mr. MORRIS. Was John Carter Vincent one of the American representatives there?

Mr. ALSOP. He was not one of those intended to be included under the heading of this sentence torn from context that you have quoted, Mr. Morris, and I think if you will read the whole article you will find very clearly he was not so included.

Mr. MORRIS. So when you talk about the American representatives you mean some American representatives?

Mr. ALSOP. What I mean—and it is not always possible to treat an American magazine like a legal record—what I said was American representatives who had power to influence events, people who did something. I knew Mr. Vincent when he was *chargé d'affaires* in China.

Mr. MORRIS. He was not an influence?

Mr. ALSOP. He did not attempt to influence events when he was *chargé d'affaires* in China. General Stilwell had already taken over. It was like heading into buzz saw, and he did not try to argue with him.

Senator SMITH. You mean then that if the whole article is read, it would indicate you did not mean to include Mr. Vincent in that group. Now I have not read the article, but can you tell us whether or not there is anything in here to negative the idea that you included Vincent along with the rest of them in there?

Mr. ALSOP. Mr. Vincent is not mentioned in the article, Mr. Chairman. He was mentioned in a note which I appended to the original—

Senator SMITH. You said a moment ago that if Mr. Morris had read the whole document he would see you did not mean to include Mr. Vincent in this group. Now is there any mention of Mr. Vincent one way or another in here?

Mr. ALSOP. There is no mention.

Senator SMITH. Then he could not have been excluded any more than have been included by name in there.

Mr. ALSOP. Mr. Chairman, I think if you read the whole article—and I wouldn't recommend your boring yourself with such an old publication—you will find that the idea is clearly stated in the article that General Stilwell and his staff were the effective American repre-



sentatives in China, and this passage refers back, of course, to that explanation that in wartime the theater commander and his staff were the dominant and effective American representatives, and the Embassy might just as well have been a ghost town.

Senator SMITH. All right, let Mr. Alsop proceed uninterruptedly, if possible.

Mr. ALSOP. Such is the massive documentation of the true, immensely far-reaching import of Mr. Wallace's recommendation to dismiss General Stilwell in which Mr. Vincent concurred and joined.

We have already discussed, Senator, Mr. Budenz's attempt to show that from a quotation from the Daily Worker—the only one that Mr. Budenz himself introduced—appearing a month after the event of General Stilwell's actual dismissal, and that the Communist Party was not displeased by the replacement of General Stilwell by General Wedemeyer.

Mr. MORRIS. You know, do you not, that yesterday we introduced an item dated November 1, which was 2 days later?

Mr. ALSOP. I am well aware of that. If you will have the record read back, Mr. Morris, you will find that I specified that the Vanderbilt Field column of December 2 was the only item introduced by Mr. Budenz.

Mr. MORRIS. To complete the record, I am saying there was a November 1, 1944, Daily Worker item introduced yesterday while you were here.

Mr. ALSOP. I have already shown, Senator, that on the same date, November 1, 1944, in another article in the Daily Worker, General Stilwell was described by Mr. Joseph Starobin as "our favorite general." And Mr. Starobin expressed grave concern about the dismissal of General Stilwell.

If you will study the Daily Worker of this period—it is not an agreeable study—I think you will find a sort of general conflict of attitude toward the dismissal of General Stilwell which persists for a considerable period of time.

There are a couple more Starobin articles in which he refused to attack, in which he did not attack President Roosevelt for dismissing Stilwell but again lauded Stilwell to the skies.

Then on November 4 there was a guest column by Frederick Vanderbilt Field clearly showing the Communist attitude toward Stilwell. It viciously attacked Governor Dewey's foreign policy and its touching climax is an imaginary speech by a Chinese soldier who is represented as sadly discouraged by the thought of Governor Dewey in the White House.

The soldier is made to inquire gloomily,

Will not Dewey inevitably be against the Stilwells, the Sonfus, the Madame Sun Yat-sens, the patriots, who struggled for national unity whereby we may fight against and defeat our common enemy?

There was also an article on this same line by Earl Browder himself.

I do not want to burden the record with any more of this dreary stuff, which really genuinely seems to me about the same as a debate on how many angels can dance on the head of a pin, but there is a long

article by James S. Allen in the Daily Worker of November 5. This man Allen states that "the most reactionary, imperialist, anti-Roosevelt forces within the United States were responsible for General Stilwell's recall," which was about the equivalent in the Daily Worker saying that the professional murders could not have done worse.

Almost in the same breath Allen praises the mission to China of Mr. Wallace, who recommended General Stilwell's recall, General Hurley, who also recommended General Stilwell's recall, and Mr. Donald Nelson.

I submit to you, Mr. Chairman, that this suggests how much value should be attached to Mr. Budenz's ex post facto exposition of these peculiar Communist scriptures.

Mr. MORRIS. Did you say praised Henry Wallace's mission?

Mr. ALSOP. It praised Henry Wallace's mission, yes. It praised, right after saying that the dismissal of General Stilwell was the work of—I will quote again for you,

the most reactionary, imperialist, anti-Roosevelt forces in the United States.

Mr. SOURWINE. Do you mean that shows that Allen did not know what was going on?

Mr. ALSOP. I think it shows very clearly that Mr. Allen didn't know what was going on.

Mr. SOURWINE. Who was Mr. Allen?

Mr. ALSOP. A regular writer of the Daily Worker, I assume a member of the Communist Party.

Mr. Budenz testified that every article that appeared in the Daily Worker was carefully reviewed and represented the party line in toto.

Mr. SOURWINE. Do you think that Mr. Allen reflected the Communist Party viewpoint in his writings?

Mr. ALSOP. I believe Mr. Budenz testified that nothing appeared in the Daily Worker that did not represent the Communist Party viewpoint.

Mr. SOURWINE. I ask you what you think. Do you think he reflected the Communist Party viewpoint in his writings?

Mr. ALSOP. I assume he did.

Mr. SOURWINE. Do you think he did?

Mr. ALSOP. Yes.

Mr. SOURWINE. Then you must admit that if that is true, the Communist Party viewpoint at this time must have been the same as Mr. Allen's, to wit, they had praise for Mr. Wallace. Is that not right?

Mr. ALSOP. No; I wouldn't attempt to dispute for one moment—

Mr. SOURWINE. Is that not substantially what Mr. Budenz testified to?

Mr. ALSOP. It is not substantially what Mr. Budenz testified to. It is only part of what Mr. Budenz testified to, and by far the least important part, in my opinion.

Mr. MORRIS. Mr. Chairman, since we mentioned James S. Allen here, there is another article in the Daily Worker of November 26 on this particular point by James S. Allen.

Mr. Mandel, will you read the designated portions in the record?



Mr. MANDEL. I read from the Daily Worker of November 26, 1944, page 3, by James S. Allen, the section marked "United States policy":

Another very important factor is the continued pressure by the United States for a positive solution of the crisis—

and in heavy type—

it is clear that the recall of General Stilwell did not mark the end of one phase and the beginning of a contrary phase in American policy. If anything, the unity policy is being urged more energetically than in the past. In his first interview in Chungking General Wedemeyer made it clear that his policy was the same as that of his predecessor, General Stilwell. He emphasized the serious threat of the Japanese armies in the south, called for unity of all the Chinese fighting forces and their concentration upon fighting the Japanese and urged Kuomintang-Communist unity.

Mr. SOURWINE. Mr. Chairman, might it be pointed out for the record that that passage is evidence only of what the Communists were thinking, not of what the facts were.

Mr. MORRIS. Mr. Chairman, may that whole article and not just the portions read by Mr. Mandel be introduced in the record?

Senator SMITH. I suppose it would be proper to introduce it since the man's name has been brought into it, but again, as I pointed out, as Mr. Sourwine suggests, as to whether or not that represents any fact at all I do not know that it has any probative value. Anyhow, we will put it in the record. It will have plenty of company there with extraneous matter.

(The document referred to was marked "Exhibit No. 341" and is as follows:)

#### EXHIBIT No. 341

[From the Worker, New York, November 26, 1944]

#### CHUNGKING MUST MAKE A DECISION

(By James S. Allen)

The changes in the Chungking Cabinet, announced Monday by Generalissimo Chiang Kai-shek, are still far from the drastic reorganization required by the crisis. But they do mean that the catastrophe now threatening China is loosening up and beginning to disrupt the stubborn alliance of reactionary forces which hold the regime in its grip.

Chiang is impelled to move. The Cabinet shifts are in admission that changes are necessary and possible. A real shake-up is in the offing. The advance of a powerful Japanese Army into the heart of free China makes a basic change hourly more imperative.

For China is on the verge of a catastrophe more serious than any which has threatened during the Sino-Japanese War.

It took the kidnaping of Chiang in 1936 and the Japanese invasion in 1937 to end the civil war and open the road to unity. The present disastrous crisis must force a decided advance toward democracy and unity within China on a scale which will turn the tide of war in Asia.

#### THE MILITARY THREAT

A well-equipped Japanese Army of 250,000 men has cut off the entire south China coastal area from central China, established a continuous area of occupation from Nanking almost to the Indochina border, engulfed vital food-producing areas, taken command of strategic railroads and forced the bases of the United States Air Forces far back into the interior.

And, most menacing of all, the Japanese now threaten Kweiyang, the capture of which would cut the Burma Road on the way to Chungking. They are in a position to completely isolate or launch a drive from a number of directions on Chungking itself.

The Chungking regime is now faced with a decision which it can no longer postpone. This is the crisis from which there can be no turning back. It lives



as a completely revitalized force, or its dies clearing the way for a completely new government capable of rallying and leading the Chinese people to victory.

#### THE DEFEATIST TRIO

The recent changes in the Chinese Cabinet must be viewed with hope. They are the advance rumblings of a political earthquake which will shake the whole regime out of its feudal lethargy.

In his shifts, the Generalissimo put his finger on the three Cabinet members who represent the most reactionary and retarding influences in China.

Gen. Ho Ying-chin, removed as War Minister but permitted to retain his post as chief of staff, is the top man of the ancient war-lord clique which views the Communists as the main danger, blocks every effort by able and progressive generals to come to the fore in the war, and seeks to suppress every force within free China working for democratic unity.

Ho and his generals are directly responsible for maintaining the blockade of the Communist-led armies and for inciting civil war against them.

As recently as August of this year his clique of generals was charged with attacking the Eighth Route Army in Shansi Province, the New Fourth in Hupeh and the People's Militia in Kwangtung, where they were harassing the new Japanese advance toward Kweilin.

#### THE FEUDAL KINGPIN

H. H. Kung, removed as Minister of Finance, is the pivot in the Government of the most reactionary groups connected with China's feudal agrarian economy. As such he has fiercely resisted every economic measure which would strengthen China's industrial capacity for war or grant relief to the people from the runaway speculation of his associates in foodstuffs and inflated currency.

Kung still retains his post as Vice Chairman of the Executive Yuan. The Chinese War Production Board, which the Nelson mission is now attempting to develop, is under the direction of the Executive Yuan.

#### THE CC CHIEF

Chen Li-fu, removed as Minister of Education, specialized in suppression of the democratic elements within the Kuomintang and in free China. He is leader of the notorious CC clique, which has kept an iron hand on the Kuomintang Executive. Through his secret police he has imprisoned thousands of democratic, anti-Japanese leaders and terrorized progressive elements.

Chen is moved to the head of the organization department of the Kuomintang. His place as Education Minister is taken by Dr. Chu Chiahua, himself educated in Germany and a leader of a pro-Nazi group in China.

The new Finance Minister is considered one of Kung's satellites.

Outside of Gen. Chen Cheng, who becomes War Minister, no new force is added in the Chungking set-up. General Chen, leader of the victorious Chinese forces in the Burma campaign, is considered one of China's most able military leaders.

At the least, the very shifting of the trio whose influence must be entirely destroyed, serves to emphasize the direction in which further changes may be looked for. The important thing is that military, political, and diplomatic pressure is forcing the Generalissimo to acknowledge that change is necessary at the top, and to begin to move.

#### MORE ENERGY NEEDED

But he has to move much more energetically and in a more pronounced democratic direction, and quickly.

In addition to the military imperative, a number of other important forces converge at this moment to force a decision at Chungking.

The Cabinet shifts will not placate or in any way deceive the people and the anti-Japanese forces. If anything, they will be encouraged by the new development and press their demands more vigorously.

The unity program to save China was summed up by Lin Tso-han, president of the northwest border region and Communist representative in the negotiations with the Kuomintang which were broken off in October.

At that time, he declared in a letter to Kuomintang leaders that the only way to rescue China from her crisis is to put an end to one-party dictatorship and establish a coalition government to carry out thorough military, political, eco-



conomic, and cultural reforms. He urged the immediate convening of an emergency national conference of all anti-Japanese groups and parties to form such a government.

The demand for a coalition government of this kind is shared by progressives in the Kuomintang, the League of Democratic Parties, the anti-Japanese military leaders within the central government armies and all popular forces.

The fact that General Chou En-lai has returned to Chungking to resume talks for unity, together with the generalissimo's reiteration that differences will continue to be solved through political means," bodes well in the present situation.

#### UNITED STATES POLICY

Another very important factor is the continued pressure by the United States for a positive solution of the crisis.

It is clear that the recall of General Stilwell did not mark the end of one phase and the beginning of a contrary phase in American policy. If anything, the unity policy is being urged more energetically than in the past.

In his first interview in Chungking, General Wedemeyer made it clear that his policy was the same as that of his predecessor, General Stilwell. He emphasized the serious threat of the Japanese armies in the south, called for unity of all the Chinese fighting forces and their concentration upon fighting the Japanese, and urged Kuomintang-Communist unity.

In fact, unity has become imperative also from the viewpoint of the American military contributions to the war. The Communist-democratic area of the northwest is fast becoming the only safe area in which to base the Fourteenth United States Air Force for attacks upon the Japanese held interior and upon Japan proper.

An American military mission, headed by Col. Davis Barrett, is now in Yennan. One can surmise that it is investigating just this possibility. But as long as Chungking maintains its blockade of the northwest it would be extremely difficult to supply American air bases in that area.

Also consider the fact that Donald Nelson, now heading the war production mission to Chungking, has just been given full Cabinet rank by President Roosevelt. This serves to emphasize the importance which the President places upon his mission and upon the policies which he conveys.

No one, in Washington or elsewhere, can now claim that he speaks with greater authority and attempt to cancel the instructions from the White House.

#### EFFECT OF NOVEMBER 7 VICTORY

And to all this must be added another extremely vital fact. President Roosevelt is eminently victorious in the elections, with a powerful popular mandate for his foreign policies.

No one can now counsel Chiang Kai-shek to wait in the hope that a political overturn in the United States would strengthen the hand of the reactionary and defeatist forces in his Chungking entourage.

The elections show that the policies advocated by the administration before November will be pursued after November. The Ho-Kunk-Chen trio is beginning to feel the effects of that.

The sands are shifting in Chungking. The old, rotten props of the regime are beginning to give way. A new resurgence of strength and unity, in the face of impending disaster, will save China.

Mr. ALSOP. Let me say to you, Mr. Chairman, that it seems to me the attempt to prove that the Communists liked the recall of General Stilwell and his replacement by General Wedemeyer from articles written before the event is a misleading attempt. But even in these articles which have been put in, written after the event, I think you can see a great conflict of attitude as to this great event, great development of the recall of General Stilwell.

I would like to submit to the Chair that the real response of the Communist leaders was as follows: First, as indicated in the Starobin article expressing concern and calling General Stilwell "our favorite general," the Communist leaders were horrified and downcast by Stil-

well's dismissal, this great asset which was a sure bird in hand was lost to them.

Second, however, they were presented with a fait accompli, and this fait accompli was also the handwork of President Roosevelt. "Beat Dewey" was then the overriding party line, and this deterred any criticism of the President's decision and even caused Stilwell's dismissal to be blamed on "anti-Roosevelt reactionaries."

Third and finally, the Field guest column belatedly told the leaders to stop worrying about Stilwell's dismissal, indicating, incidentally, that the Communists had previously been very worried indeed because the Communist Party perhaps genuinely hoped that Stilwell's policy really would be carried on in China as they kept assuring themselves and their readers.

Here you have to consider the circumstances of the times Mr. Budenz has also forgotten. First, the conservative press was teeming with such anti-Chiang reports as that of Brooks Atkinson, which has been introduced, and the President was subject to much partisan criticism by the Republicans for bringing General Stilwell home.

Second, General Wedemeyer had said pro forma on taking command that he would carry on where General Stilwell left off, and even before December 2 when Field wrote the column quoted by Budenz, Major General Hurley had inaugurated the effort to promote a Chinese Nationalist-Communist political coalition, which he carried on for many months thereafter.

In fact, however, the wartime turning point in China was the removal of General Stilwell, the man who wished to eliminate the Generalissimo and described the Chinese Communists as the only hope of the Chinese masses.

With General Stilwell in command I would remind the committee the Communists would have received American arms while the Generalissimo's armies got few or none. They would have been supported by our Government at home while the Generalissimo was villified by the American theater commander. Their claims would have been recognized as just while the Generalissimo was pressured into entering unequal partnership with them.

General Hurley, although he pressed for a coalition to avert civil war, did not press for a coalition in the Stilwell spirit of wishing to eliminate the Generalissimo, and General Wedemeyer in seeking to invigorate the Chinese forces in order to beat the Japs showed leadership that sent a new thrill of confidence, a strong surge of regeneration throughout the whole nationalist structure.

With General Stilwell gone, the Chinese Communists' high hopes of coming to power during the war, which in my opinion they would have done if General Stilwell had not been dismissed, fell finally to the ground.

Such are the documented facts of history. I leave it to the committee to judge in the light of these facts whether a Communist objective was carried out, as Mr. Budenz has testified, by this mission of Mr. Wallace, who so strongly recommended the dismissal of General Stilwell, with the concurrence and approval of the accused man, Mr. Vincent.

It is not I who convicts Mr. Budenz of untruth; it is the facts that convict him.



I now come to the way that Mr. Vincent actually guided Mr. Wallace and the manner in which Mr. Wallace was steered along the paths of the party line, of which I was a witness. On this head, beside giving the testimony I have briefly quoted from, Mr. Budenz elaborated considerably when he returned to the stand. He said—

General Wedemeyer when he first came into public notice was not opposed by the Communists. Indeed, the Communists felt that the compromise made with Wedemeyer was a good compromise.

Again he said—

The Communists were very much opposed to General Chennault and didn't want him in the picture at all. They thought Wedemeyer was a better choice.

Again he said—

They thought he—

referring to Wedemeyer—

was a good compromise since it excluded General Chennault.

It is downright startling to contrast this Budenz testimony with the actual facts. When the Wallace party reached Kuming to visit General Chennault, I was serving on the general's staff. I had known Mr. Wallace before the war, and General Chennault therefore told me to serve as Mr. Wallace's escort.

If I recall correctly, both Mr. Wallace and Mr. Vincent stayed in General Chennault's house, where I also lived. At any rate, I was with Mr. Wallace and Mr. Vincent almost continuously while they were visiting the Fourteenth Air Force except during Mr. Wallace's rather frequent bouts of violent exercise—he was always playing volley ball—when I was left alone with Mr. Vincent.

At this distance in time I cannot attempt to reconstruct every detail of this episode, but I have, first, a general recollection that General Chennault gave Mr. Wallace the customary VIP map talk on the military situation. As a result of the Japanese offensive in east China, the picture of the military situation was very dark and somber, and Mr. Wallace seemed much impressed by the urgency of the military problem.

Second, I have a general recollection that Mr. Wallace asked my opinion of the political situation in China. I can recall making two points: That the Generalissimo's Government was suffering gravely from general demoralization resulting from the triumph of the reactionary faction of the Kuomintang in the internal political crisis in October 1943; and, point 2, that the shocks administered to this already demoralized government by the terrible defeats in east China, which I may say largely resulted from General Stilwell's military policy, might well be enough to bring the whole structure down.

On the American role in the Chinese political situation I expressed to Mr. Wallace approximately the views contained in the passages, in certain passages from General Chennault's letter in which General Chennault, I should explain, took this line that the defeats in east China were what undermined, or were at that time undermining, the Generalissimo's regime and producing a serious danger of Communist victory in China.

These were General Chennault's views at that time, as I knew because I was living in the house with him.

I emphasize particularly the point that America could not hope to shore up and strengthen the Generalissimo's Government unless the American representatives in China were prepared to work with Chiang Kai-shek at least on the basis of honorable equality. Again I had the impression that Mr. Wallace was considerably impressed.

Third, I also have a general recollection of talking over the Chinese situation with Mr. Vincent during one of Mr. Wallace's exercise periods. As nearly as I can bring it back, the conversation followed much the same pattern as that with Mr. Wallace already mentioned, at which Mr. Vincent in fact was probably present.

In these days I was obsessed by the risks we were running in China, and I am afraid I had a tendency to repeat myself. At any rate, the importance of this recollection of the talk with Mr. Vincent is that I remembered being pleased to find he agreed rather completely with my own view that the Generalissimo had to be given someone who would work with him, who would command his confidence, who would genuinely seek to support him, if he wanted American interests in China to be safeguarded by the improvement and strengthening of the Chinese Nationalist Government.

Finally, I have a clearer recollection of the circumstances in which the cable recommending General Stilwell's recall was decided upon and drafted. Mr. Wallace, Mr. Vincent, and I were all together in General Chennault's house. The subject of the crisis in China was raised, and although I do not precisely remember what any single individual said, I do recall very clearly the position taken by all three of us. This is natural in a long and complex conversation. You don't recall quotations from each person, but you do know which side each person was on.

I feel pretty sure for myself that I expressed the view that somebody had better do something drastic about the crisis without further delay in order to give the Generalissimo adequate military aid or we would encounter a real disaster.

As I said, I felt very strongly about the problem in those days. Attempting to reconstruct the ensuing conversation as best I can, I think it soon became apparent that Mr. Wallace had come from his conversation with Chiang Kai-shek in Chungking with the inclination to feel that General Stilwell could not do the job in China but with no decision to take any positive action.

I think also that the impression made on Mr. Wallace by General Chennault's presentation of the urgency of the military problem had strengthened this inclination that Mr. Wallace brought from Chungking.

At any rate, there was a general discussion back and forth between the three of us. I particularly recall that Mr. Vincent affirmatively participated in the decision that concluded this discussion.

Senator SMITH. Where was Mr. Lattimore all this time?

Mr. ALSOP. Mr. Lattimore there wasn't room in the house for, and he lived down in Chungking, and we hardly saw him. He turned up at the end.

Senator SMITH. You three got together and left him out?

Mr. ALSOP. Yes; I recall. I know he was there because I happen to have a photograph that he took of me with a little Chinese baby that was a sort of pet of the troops—General Chennault's chauffeur's daughter, as a matter of fact.



It was at the end of his time, and he was never with us at all. I think he may have come to one luncheon or dinner with General Chennault because I think I also recall sitting next to him, and I happened to be very interested in the history of the Chinese Empire, and he did a remarkable learned turn about the Chinese tribute system, which stuck in my mind, and that is the last time I had a serious talk with him.

I particularly recall that Mr. Vincent affirmatively participated in the decision that concluded this discussion between Mr. Wallace and Mr. Vincent and myself, the decision in short by Mr. Wallace to take action forthwith by recommending the dismissal of General Stilwell.

I remember this for a rather special reason. In the early part of the discussion they had been talking about whether or not Mr. Wallace should take this rather drastic step, and the objections to it were of course canvassed. Mr. Wallace wanted to do it. Mr. Vincent thought he ought to do it; and, God knows, I thought he ought to do it.

Then in the second part of the discussion there was this one point that Mr. Wallace had a tendency to stick on, and I feared very much that it would be raised and would prevent action at this time. In brief, Mr. Wallace had not seen General Stilwell and was unable to go to Chabua to meet him.

One of the points that worried Mr. Wallace most was the desirability of recommending General Stilwell's recall without giving General Stilwell an opportunity to present his side, which he was unable to do. Mr. Vincent was, after all, a bureaucrat. Bureaucrats don't usually like drastic measures. And I remember thinking that, although I knew very well what Mr. Vincent's position was, the usual feeling that if you don't do anything at least you haven't made a mistake might well prevail and he would make a big issue of this matter of Mr. Wallace's inability to see General Stilwell.

Instead of which, as I have said, contrary to my fears, he affirmatively participated in the discussion, and I think it would be accurate to say encouraged Mr. Wallace in his inclination to send this message to the President recommending General Stilwell's dismissal.

I also have a distinctly vivid recollection of the way in which General Wedemeyer came to be suggested as General Stilwell's replacement.

Senator SMITH. Now, just a minute. Did I understand you to say that Mr. Wallace did not see General Stilwell or talk to him about this matter?

Mr. ALSOP. That is correct.

Senator SMITH. About the China situation while he was there?

Mr. ALSOP. General Stilwell was in Burma and inaccessible.

Mr. MORRIS. Did Mr. Morris see Davies, Service, and Ludden?

Mr. ALSOP. As far as I know, no. He could not have seen Davies—yes; he did see Davies, I am wrong. Davies was in Chungking with an invitation from General Stilwell to go to Chabua; had been sent up for that purpose. He presented his invitation. I was present at every conversation between Mr. Davies and Mr. Wallace.

Mr. MORRIS. Did Mr. Davies influence Mr. Wallace at all?

Mr. ALSOP. He presented General Stilwell's invitation to go to Chabua, which General Stilwell had ordered him to do. He fulfilled his instructions, and that was about the net of what he did.

Mr. MORRIS. How about Service and Ludden?

Mr. ALSOP. They were not there. Ludden was at the consulate, but Mr. Wallace did not see him, as far as I recollect. Service, I don't know where he was—I believe in Chungking.

Senator SMITH. Before Mr. Wallace's cables were sent, was there anyone to talk to him on behalf of General Stilwell to give his side of the picture?

Mr. ALSOP. He had seen General Stilwell's staff in Chungking, I believe, Mr. Chairman, and it is in the record that the then head of General Stilwell's staff in Chungking, General Ferris, had, I believe, presented to Mr. Wallace the memorandum urging him to ask the Generalissimo's permission to open an American military mission, a liaison mission, at the Communist capital in Yenan; and, if the usual procedure was followed—I cannot testify to this from my personal knowledge—General Ferris undoubtedly gave Mr. Wallace a presentation of the military situation, because the first thing anyone did with a VIP in those days was drag him before a map and tell him where everybody was and who was doing what to whom.

Mr. MORRIS. Did Mr. Wallace go to Yenan?

Mr. ALSOP. No.

Senator SMITH. The point I am getting at is whether there were three or four of you there with Mr. Wallace.

Mr. ALSOP. Three of us.

Senator SMITH. Each of you trying to influence Mr. Wallace to request General Stilwell's recall?

Mr. ALSOP. That is correct.

Senator SMITH. Did Mr. Wallace talk with anybody who would take opposite views as to General Stilwell's recall before he sent the cable?

Mr. ALSOP. I wouldn't be able to testify as to that.

Senator SMITH. So far as you know.

Mr. ALSOP. I do know whom he saw in Kunming more or less, because I was with him all the time except when he was playing volleyball. He was in Chungking, you see, for some days.

Senator SMITH. Did he not say yesterday that he did not discuss his recommendations as contained in the cables with anyone else except you three?

Mr. ALSOP. That is his testimony, but I cannot testify to that on my personal knowledge.

I also have a rather vivid recollection as to how General Wedemeyer came to be suggested for Stilwell's replacement. In brief, Mr. Wallace's first idea was to recommend General Chennault, of whom the Generalissimo had spoken to him highly and by whom he had been much impressed.

I looked to Mr. Vincent, hoping that he might interpose some objection to this suggestion of my own boss, but he went along with Mr. Wallace. That is why I remember Mr. Vincent's view on this thing.

So, it was left to me, who had served General Chennault since before Pearl Harbor, to oppose General Chennault's nomination as commander in chief in China. I had two reasons for doing so.

First, only General Chennault knew how to run an air force on a shoestring. Our shoestring was getting very thin. In those days the Fourteenth Air Force was the sole force in being to prevent thorough



military disintegration in China. As Mr. Wallace later put it in this cable, General Chennault was needed on the job he was doing.

Second, and more important, General Stilwell had gone to very great lengths to blacken General Chennault's name at the Pentagon. Even if President Roosevelt decided to act on Wallace's recommendation, there was no hope at all that the President could ever persuade the Army and Air Staff to put General Chennault in Stilwell's place.

General Wedemeyer, who had great influence at the Pentagon, later I believe recommended General Chennault's promotion to lieutenant general, and it was refused.

The recommendation to recall Stilwell was certain to make enough row all by itself. If this recommendation was coupled with a nomination of General Chennault, the roof was quite sure to blow off. Hence, Mr. Wallace's idea was self-defeating.

Mr. Wallace and Mr. Vincent accepted these practical arguments of mine as being compelling, and thus it was I who "excluded General Chennault," to quote Mr. Budenz, and meanwhile the alleged Communist, Mr. Vincent, in fact approved the suggestion of this man whom "the Communists were very much opposed to and did not want at all," to quote Mr. Budenz again.

With General Chennault out of the picture, General Wedemeyer, whom I had seen in action when he visited Chungking in his then capacity as Lord Louis Mountbatten's deputy, was at length decided on. Thus Mr. Wallace's Kunming cable was at last roughed out in this discussion with Wallace, Vincent, and me. We drafted it together. I had a typewriter in the house and did the typing.

After Mr. Wallace signed it, the cable was sent through the consulate in Kunming, if I remember correctly. Mr. Wallace does not know how it was sent, as far as I recall. I took the signed draft off.

This was the way the accused man, Mr. Vincent, "guided" Mr. Wallace "along the paths" of the party line.

Again I ask the committee to weigh Mr. Budenz' wholly unsupported testimony as to Mr. Vincent against these facts which I have presented.

Again I say it is not I who convicts Mr. Budenz of untruth; it is the facts that convict him.

To document this account I have given this committee, I have also consulted the memoirs of General Chennault and Mr. Willauer, who in 1944 was a high adviser of the Chinese Government and is now General Chennault's business partner. Naturally, I recounted to General Chennault everything that had been said and done as soon as I found an opportunity immediately after the sending of the Wallace cable. Mr. Willauer and I had worked very closely together when I, too, was adviser to Dr. T. V. Soong in the previous period, and when Mr. Willauer passed through Kunming that summer I also reported what happened to him—in strict confidence, of course.

I now offer for the record telegrams to me from General Chennault and Mr. Willauer, giving their best recollection of what I told them long ago. I would like to read them.

Senator SMITH. Are those recent telegrams?

Mr. ALSOP. Yes; they have just been received. The dates are on them [reading]:

Reference your cable inquiring Wallace and Vincent attitude in Kunming on subject replacement of Stilwell, I have following recollection: First, you told

me Wallace cabled F. D. R. recommending Stilwell replacement and I recall Wedemeyer among candidates, and that he was only one currently available. Second, I recall Vincent, assigned as political adviser to Wallace, constantly with Wallace, must have concurred or had knowledge any recommendations cabled by Wallace. At the time of Wallace visit, Stilwell was actively supporting program to rearm Communists and refusing Nationalists arms anywhere east of Salween River on Burma Road front.

That was anywhere in China proper virtually. [Continues reading:]

When Wedemeyer finally replaced Stilwell, central China was lost to Japs and Nationalist Government greatly deteriorated. Wedemeyer appointment and policy thereafter revived National Government strength, political and military; and, if his policies had been implemented sooner and continued postwar, I think there would have been no—repeat—no Communist conquest of China.

CHENNAULT.

(The cable referred to is as follows:)

CABLE FROM MAJ. GEN. C. L. CHENNAULT TO J. W. ALSOP

HONG KONG VIA COMPACIFIC, September 22.

ALSOP, Washington, D. C.:

Reference your cable inquiring Wallace and Vincent attitude in Kunming on subject replacement Stilwell, I have following recollection: First you told me Wallace cabled F. D. R. recommending Stilwell replacement, and I recall Wedemeyer among candidates, and that he was only one currently available. Second, I recall Vincent, assigned as political adviser to Wallace, constantly with Wallace, must have concurred or had knowledge any recommendations cabled by Wallace. At the time of Wallace visit, Stilwell was actively supporting program to rearm Communists and refusing Nationalist arms anywhere east of Salween River on Burma Road front. When Wedemeyer finally replaced Stilwell, central China was lost to Japs and Nationalist Government greatly deteriorated. Wedemeyer appointment and policy thereafter revived National Government strength, political and military; and, if his policies had been implemented sooner and continued postwar, I think there would have been no—repeat—no Communist conquest of China.

CHENNAULT.

That is General Chennault's commentary on this episode of Mr. Wallace's cable.

Mr. MORRIS. Do you mean you introduce that in refutation of something Mr. Budenz said?

Mr. ALSOP. I introduce that in support of my own evidence, if you don't mind.

Mr. Willauer's wire (reading):

Reference your cable, I recall visiting you at Kunming shortly after Wallace. Because my responsibility as director, Far East—

there is a misprint in the telegram—

for CDS—

which was China Defense Supplies—

remember my gratification because hope from info re Wallace and Vincent attitude replacement Stilwell, who completely misunderstood logistics economics supply problems into and within China. Cannot state Wallace-Vincent attitude except second-hand—

that is from me—

but replacement of Stilwell by Wedemeyer overnight restored Chinese morale and effectiveness and cut out most of previous pro-Communist attitude of theater staff.



(The cable referred to is as follows:)

CABLE FROM WHITING WILLAUER, FORMER ADVISER TO CHINESE GOVERNMENT, NOW PARTNER OF GENERAL CHENNAULT, TO J. W. ALSOP

HONGKONG VIA COMPACIFIC, September 22.

YOUNGMAN FOR ALSOP, *Washington, D. C.:*

Reference your cable, I recall visiting you Kunming shortly after Wallace. Because my responsibility Director, Far East for \* \* \* [garbled] remember my gratification because hope from info re Wallace and Vincent attitude replacement Stilwell, who completely misunderstood logistics economics supply problems into and within China. Cannot state Wallace-Vincent attitude except second-hand, but replacement of Stilwell by Wedemeyer overnight restored Chinese morale and effectiveness and cut out most of previous pro-Communist attitude of theater staff.

WILLAUER.

These are relevant as indicating that this account that I have given of this conversation in Kunming is not something that I have made up or done anything to for this occasion. These telegrams show that I told General Chennault and Mr. Willauer exactly what I am telling the committee, in 1944, and that seems to me relevant evidence.

Senator SMITH. The telegram does show that Vincent was assigned as adviser to Wallace and was constantly with him.

Mr. ALSOP. Mr. Willauer's telegram is chiefly interesting because General Chennault's does not make it clear he absolutely knew from me that Mr. Vincent joined and concurred, whereas Mr. Willauer's telegram—which is very hard to understand because he saved money on the cable—if you read it carefully, it does make it clear that he knew Vincent's attitude as well as Wallace's.

Senator SMITH. Now at the time General Stilwell was relieved was that before or after General Marshall went to China on his mission?

Mr. ALSOP. That was long before. General Stilwell was relieved in October 1944 and General Marshall's mission, if I recall correctly, began sometime in 1946 after the war.

Mr. SOURWINE. You think this conference that took place between yourself and Mr. Vincent and Mr. Wallace was the primary reason for the eventual replacement of General Stilwell?

Mr. ALSOP. No, Mr. Sourwine. Here we are talking about what I can't testify to as a matter of personal knowledge. Bob Sherwood, who prepared the Hopkins papers, has told me that Mr. Wallace's recommendation helped to influence the President's attitude when the issue of General Stilwell's recall finally became acute, which is when the Generalissimo asked for General Stilwell's recall. There was a considerable dispute in Washington at that time because Mr. Stimson was inclined to support General Stilwell against the Generalissimo.

There was a discussion between the White House and Mr. Stimson, which is recorded in Mr. Stimson's book, and the President after some hesitation, because it was a very explosive thing to do, to remove an American theater commander—and his policy always was to support them—finally decided in favor of General Stilwell's recall.

I think it is fair to say that Mr. Wallace's telegram probably contributed to that, but I cannot testify to that. In any case the question is: Was Mr. Wallace's telegram, which was the main result of his mission, carrying out a Communist objective?

Mr. SOURWINE. In any event, you make this clear, that Mr. John Carter Vincent did have material influence upon Vice President Wallace.

Mr. ALSOP. I wouldn't say material influence. You would have to define "material."

Mr. SOURWINE. You said he did have a definite part in influencing Mr. Wallace with regard to his recommendations in his Kunming cables.

Mr. ALSOP. Let me try to be more precise for you, Mr. Sourwine. Mr. Vincent, if he had taken a negative attitude, could have prevented, undoubtedly have prevented, sending of the cable. He took an affirmative attitude. I do not think that Mr. Vincent's affirmative attitude influenced Mr. Wallace as much as perhaps even my rather strong—

Mr. SOURWINE. Let us leave out degrees of influence. Is it your contention that Vincent did influence Mr. Wallace?

Mr. ALSOP. I think it is fair to say that.

Mr. SOURWINE. Do you know whether Mr. Lattimore influenced Mr. Wallace?

Mr. ALSOP. I couldn't possibly testify as to that. I believe Mr. Wallace testified he didn't discuss the subject with Lattimore. He couldn't have done it in Kunming, at any rate.

Mr. SOURWINE. Do you have any personal knowledge as to whether Vincent was or was not a member of the Communist Party?

Mr. ALSOP. I have no personal knowledge.

Mr. SOURWINE. Do you have any personal knowledge as to whether Mr. John Carter Vincent was accepting in any way instructions from the Communist Party?

Mr. ALSOP. I feel very certain he wasn't.

Mr. SOURWINE. Do you have any personal knowledge whether he wasn't?

Mr. ALSOP. Mr. Sourwine—

Mr. SOURWINE. Please, I have only one more question. It is obvious what the answer is.

Mr. ALSOP. No; I have no personal knowledge.

Mr. SOURWINE. Do you have any personal knowledge as to what the Politburo thought with regard to either the activities of John Carter Vincent or the activities of Mr. Wallace in China?

Mr. ALSOP. We have the testimony of Mr. Budenz.

Mr. SOURWINE. Do you have any personal knowledge? I know we have Mr. Budenz' testimony.

Mr. ALSOP. Obviously I wasn't in consultation with the Politburo.

Mr. SOURWINE. The answer is "No," is it not?

Mr. ALSOP. Yes. It seems to me the question is irrelevant. I should like to have that put in the record.

Mr. SOURWINE. Mr. Chairman, we should not be argumentative. The record will speak for itself.

Senator SMITH. I think it speaks for itself, all right. He said "Yes."

Mr. SOURWINE. Mr. Budenz made a statement which Mr. Alsop has challenged the accuracy of. The statement concerned influence on Mr. Wallace and how the Politburo regarded that influence, and the statement also concerned whether Mr. John Carter Vincent was a Communist.

Senator SMITH. I understand Mr. Alsop says he had no personal knowledge on either of those things. That is what you said, you had no personal knowledge of either of those? Did you say you did not have?



Mr. ALSOP. I have no personal knowledge.

Mr. MORRIS. You did say that was not a pertinent question, Mr. Alsop.

Mr. ALSOP. It doesn't seem to me whether I have personal knowledge of the inner workings of the Politburo is.

Senator SMITH. I think you have answered it, and I think it is all right if that is what you said. Mr. Budenz made a statement. As I understood it, you challenged it, but now you say you did not have any personal knowledge of it, so that leaves it just where it was.

Mr. ALSOP. May I explain what I am trying to say, Mr. Chairman?

I did not have, naturally, any personal knowledge of the inner workings of the Politburo, but I did see Mr. Vincent, charged with being a Communist Party member commissioned to guide Mr. Wallace along Communist lines, actually guide Mr. Wallace toward the most anti-Communist act that was done in China during my time there until General Wedemeyer took command.

Senator SMITH. That is your judgment about it?

Mr. ALSOP. I think that is what the facts show.

Senator SMITH. That is your judgment on that point?

Mr. SOURWINE. You mean what you just said is a statement of fact in your opinion?

Mr. ALSOP. Yes; and may I introduce for the record the attached letter of General Wedemeyer, since my capacity to judge has been challenged? You will see that he thought at any rate that I had a very clear idea of what Communist interests were and weren't in China while I was there.

Senator SMITH. It is a very nice letter for you to use as a recommendation. I would so agree at the time.

Mr. ALSOP. Since you say what I say is a matter of judgment it should be permitted—

Senator SMITH. When you make a statement that is your judgment and understanding as to what the facts are. I said that is your judgment. Somebody else might disagree. They might take a different viewpoint.

Mr. ALSOP. I do think it is relevant, since the question of my judgment is brought up, for me to offer such evidence I may have.

Senator SMITH. That is not about your judgment; that is about your enthusiasm for China.

Mr. ALSOP. General Wedemeyer says here:

I felt you understood perhaps better than any other American in the China theater at that time the full implications of the Communist movement, which was active but which was at least held in abeyance by the policies of the Chinese Nationalist Government.

Senator SMITH. That has no place in the record. I said that was your judgment, whether it was good or bad. I am not questioning that.

Mr. MORRIS. Mr. Chairman, I have one question here at this point.

Mr. ALSOP. I think it is relevant to show what General Wedemeyer thought my judgment was.

Mr. MORRIS. Mr. Alsop, I am going to read you a passage from your article which appeared in the Saturday Evening Post of Jan-

uary 21, 1950, and ask you if you could testify to that statement today. It is right in point.

General Marshall used all his vast influence to keep Stilwell in China despite the generalissimo. This could only have meant an open Sino-American break. But Harry L. Hopkins pointed out that a theater commander who was persona non grata could hardly be forced upon an Allied chief of state. Hurley sensibly advised that the Sino-American war effort could not well be conducted by two men who were not on speaking terms. The generalissimo stood firm. In mid-October, President Roosevelt at length consented to recall Stilwell and replace him with Lt. Gen. Albert C. Wedemeyer.

Would you testify to that statement today?

Mr. ALSOP. If you add General Marshall to Colonel Stimson, who was the active man in this argument with the White House but was representing General Marshall's views, influenced by General Marshall, this is a correct statement of what occurred.

Mr. MORRIS. You will testify to that?

Mr. ALSOP. Yes.

Since you brought up General Marshall's name, Mr. Morris, I would like to testify a little further on this subject, if I may.

Mr. MORRIS. Is this connection—

Mr. ALSOP. I had thought it was the committee's policy, when they brought names in, to try to define and explain their role in common justice to the individuals named.

Mr. MORRIS. I have one question in that connection. In view of the statement of facts you present here, namely, that—

Harry L. Hopkins pointed out that a theater commander who was persona non grata could hardly be forced upon an allied chief of state.

will you say that the Communists at that time, no matter how much they liked General Stilwell, would have been desirous of an open Sino-American break at that time?

Mr. ALSOP. I think they would have been perfectly delighted by an open Sino-American break on this subject, Mr. Morris, and so would anyone who studied the record. It would hand all of China over to the Communists tomorrow morning.

Mr. MORRIS. Have you read the excerpt in the Daily Worker which said the big policy at that time was to achieve unity to defeat the Japanese? You said you went through the Daily Worker for that period, Mr. Alsop.

Mr. ALSOP. If we are going to go on discussing the Daily Worker, I think I had better introduce expert evidence.

Senator SMITH. The question is whether or not you read the statement.

Mr. ALSOP. I read the statement, but I should like to elaborate.

Throughout Mr. Budenz' testimony on this Wallace mission to China there is also a farrago of distortions and misrepresentation which I hope the committee will question me about later. I had best confine my testimony to Mr. Budenz' actual untruths, of which the third in my judgment is his statement that Mr. Vincent was a Communist Party member.

Mr. SOURWINE. You cannot testify with regard to that. You have already stated you have no personal knowledge.



Mr. ALSOP. Allow me to continue, Mr. Chairman. I am about to state that.

Of course I cannot give the committee documentary evidence that Mr. Vincent did not belong to the Communist Party. I do not know what forms such evidence would take. Of course I cannot tell the committee that I know as a matter of positive fact that Mr. Vincent was not a Communist. No man can know what may be found in the secret hearts of men, but I put it to the committee Mr. Vincent joined and concurred in the most profoundly anti-Communist act that could have been attempted in China at that time.

I say to the committee that the overwhelming weight of the evidence is against Mr. Budenz and convicts him of untruth in this also.

Senator SMITH. You are correct that you could not prove that he was not a Communist, but Mr. Budenz, assuming he was truthful when he testified that Mr. Vincent was a Communist, could come nearer knowing if he himself was a member and they worked together than you could come near not knowing.

Mr. ALSOP. Mr. Chairman, you are a former president, I believe, of the American Bar Association. What would be your judgment? Unsupported allegation for which not one shred of documentary evidence has been introduced stands on one side, and on the other side there is a mass of documentary evidence that the man behaved in the most contrary manner possible to that indicated by the unsupported allegation.

Senator SMITH. That is a matter of judgment, but if Mr. Budenz knew for a fact that he and Mr. Vincent were Communists, that they belonged to the same group, they swapped information, they consulted about Communist matters, whatever they did—I am not saying what is or is not because I do not know—but if Mr. Budenz said he was, people may not believe Mr. Budenz, you may not believe him and others may not believe him, but that is some evidence, at least, that Mr. Vincent was, according to what he said.

Mr. ALSOP. I say the overwhelming weight of the evidence is against Mr. Budenz.

Senator SMITH. That is your judgment. It may be mine.

Mr. ALSOP. I wish to end my testimony here, but there is what I am afraid, what I regard as a rather darker side to this business, which I think must be ventilated in view of the importance of determining the reliability of Mr. Budenz' numerous charges against other American citizens.

In brief, in August 1950, Mr. Alfred Kohlberg, who is no doubt known to the committee, wrote Mr. Wallace asking for a copy of his report on China to President Roosevelt. Mr. Wallace replied to Mr. Kohlberg with a letter including the main substance of the Kunming cable of June 26, 1944, and specifically the recommendation for the dismissal of Stilwell, which I now offer to the committee. This is a photostat that Mr. Kohlberg sent me.

Mr. SOURWINE. Mr. Wallace did that on your recommendation, Mr. Alsop?

Mr. ALSOP. He consulted me about it. I urged him to make public the full text of the telegram, which he did not do.

Mr. Kohlberg replied to Mr. Wallace on August 22, 1950, with a friendly and somewhat confused answer, thanking him for his kindness, stating that "the wisdom of your recommendations was quickly

proven by history," and ending by asking Mr. Wallace to do an article for his magazine, the Freeman.

Mr. Wallace has lent me a copy of this Kohlberg letter of August 1950, which I also offer for the record.

Finally, I offer a copy of a third letter dated September 14, 1951, from Mr. Kohlberg to me. In this letter Mr. Kohlberg alleges that in August 1950, immediately after complimenting Mr. Wallace on the wisdom of his recommendation to dismiss General Stilwell, he showed to Mr. Budenz the Wallace letter, giving the substance of the Kunming recommendations, including, of course, the recommendation to dismiss General Stilwell.

If this be true, if Mr. Budenz indeed gave his testimony before this committee with full knowledge of the real outcome of the Wallace mission to China, which he completely failed to mention in his first appearance on the stand, I may add his case, in my judgment, should be submitted to the Justice Department for appropriate action.

Senator SMITH. That completes your statement?

Mr. ALSOP. Yes, sir.

Senator SMITH. Now we will recess. We have another Judiciary Committee meeting at 12:30. I do not know how long we are going to be there. We will reconvene at 2:30. I think we can be back by that time.

(Whereupon, at 12:30 p. m., the committee recessed to reconvene at 2:30 p. m. of the same day.)

#### AFTERNOON SESSION

The committee reconvened at 2:30 p. m., upon the expiration of the recess.

Senator SMITH (presiding). The committee will come to order.

Mr. PURCELL. Before the end of the morning session, Mr. Alsop presented three letters, two written by Mr. Alfred Kohlberg and one written by Mr. Henry Wallace, and asked that they be received in the record.

I wanted to be sure they had been received.

Mr. ALSOP. May I say, Senator, I regard these as important parts of the record, because they have contributed greatly to my belief that the case of Mr. Budenz should be investigated by the Justice Department to see whether a charge of perjury exists.

Mr. PURCELL. Have they been received?

Senator SMITH. Was that while I was presiding?

Mr. ALSOP. Yes.

I have the original here.

Senator SMITH. Is this the group of all of them, or just one?

Mr. ALSOP. All.

Senator SMITH. They will be received and placed in the record.

(Documents referred to were marked as "Exhibits Nos. 342, 343, and 344," and filed for the record.)

#### EXHIBIT No. 342

Mr. ALFRED KOHLBERG,

*New York 18, N. Y.*

DEAR MR. KOHLBERG: I am pleased to acknowledge reception of your letter of August 9. Right now I am so overwhelmed by correspondence and performance



of my duties around the farm that it seems to be impossible to arrange to get the necessary time to see you.

I was not aware that I am or had been a trustee of the Institute of Pacific Relations. Certainly I never attended any meeting of the board of trustees.

It has been suggested in the press that you feel Owen Lattimore wrote my report to President Roosevelt. This is not true. Owen Lattimore has denied it under oath and I deny it. Lattimore came along with me on my trip to China in 1944 because OWI felt there should be someone along to handle public relations in China having to do with the press.

You might be interested in the following statement which I sent Roosevelt from Kunming in late June of 1944 with regard to Chiang's desire to have a liaison officer who was more acceptable to him than Stilwell:

"Chennault enjoys the Generalissimo's full confidence but he should not be removed from his present military position. The assignment should go to a man who can (1) establish himself in Chiang's confidence to a degree that the latter will accept his advice in regard to political as well as military actions; (2) command all American forces in China; and (3) bring about full coordination between Chinese and American military efforts. It is essential that he command American forces in China because without this his efforts will have no substance. He may even be Stilwell's deputy in China with the right to deal directly with the White House on political questions or China may be separated from General Stilwell's present command. Without the appointment of such a representative you may expect the situation to drift continuously from bad to worse. I believe a representative should be appointed and reach Chungking before east China is finally lost so that he can assume control of the situation before it degenerates too far.

"While I do not feel competent to propose an officer for the job, the name of General Wedemeyer has been recommended to me and I am told that during his visit here he made himself persona grata to Chiang.

"I realize that my opinions are based on a very short stay and that the number of people who could be consulted has necessarily been limited. In particular, I regret not having been able to see General Stilwell and get his views."

Sincerely yours,

H. A. WALLACE.

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EXHIBIT No. 343

AUGUST 22, 1950.

Mr. HENRY A. WALLACE,  
*Farvue, South Salem, N. Y.*

MY DEAR MR. WALLACE: I greatly appreciate your courtesy in responding to mine of the 9th, and particularly for extract from your Kunming report. The wisdom of your recommendations was quickly proven by history. Too bad that your reports were omitted from the white paper and that the portion you quoted to me was even omitted from the Summary Notes of Conversations on pages 551 and 552 of the white paper, which give a very different impression of what your attitude really was.

In *Windows on the Pacific—Biennial Report of American Council Institute of Pacific Relations, 1944-46*, a pamphlet of 63 pages, the 1946 board of trustees is listed on pages 3, 4 and 5. On page 5 I find "Henry A. Wallace, Secretary of Commerce, Washington, D. C." You are also shown as trustee another year. I am informed that the board met only annually and that a quorum consisted of 12 of the 50 members.

I am happy to have your assurance that Owen Lattimore did not write any of your reports. I knew that he had so testified, but did not accept that as conclusive. I am quite sure that I have never stated that he did as a fact, but suggested that he might have. I did this for several reasons.

1. In the fall of 1944 John Carter Vincent told me you did not write the pamphlet published by I. P. R. earlier that year, over your signature, entitled, I think, "Our Job in the Pacific."

2. State Department denial of the existence of your reports, both in the white paper on page 549 and in the statement of Secretary Acheson in release No. 645 of August 24, 1949. Referring to Congressman Judd's demand that your report "must be produced from wherever it is and published." Mr. Acheson then states: "The Department reiterates in the plainest language that it does not have in its files and does not know of the existence of any report of the nature suggested by Mr. Judd."



The release by you, shortly thereafter, of part of your report revealed the untruthfulness of this statement. By putting 2 and 2 together, I thought it possible that both Mr. Lattimore and the Department were not strictly truthful and suggested the possibility that he had had a hand in writing your report, especially as Mr. Vincent wrote me last fall that he had nothing to do with it and, in fact, had never seen your report. As Mr. Hazard was not a China expert, this left only Mr. Lattimore as the probable author or assistant in its preparation.

Now, however, that I have your assurance, I accept it without question and only hope that any previous doubts and questioning may not have been taken as conclusive.

One more item added to the confusion. General Hurley stated that in June or July 1945 he received a cable signed "Grew" asking him to follow your report as a guide to United States Policy in China.

This confusion leads me to the following suggestion for your consideration:

A new fortnightly magazine entitled "The Freeman" will appear in October. I am treasurer of the corporation. It will be the successor to "Plain Talk" but in addition to the exposure of Communist activities will cover the field of comment on current events and have articles on economics, art, literature, etc. It may be called, in the popular jargon of the day, a magazine of opinion on the "right."

My suggestion would be an article by you covering your reports from China. While the reports are too long for full coverage, liberal quotations would be useful. I suggest our magazine, because of its coloration, as the most useful medium. I believe such an article would be useful to your countrymen in the present far eastern crisis, and would tend to correct misunderstanding both of your attitude and the importance of your part in our China policy.

While I am sure we would disagree on the China situation, it would be useful to our country to shed as much light as possible. Long continuance of the present policy of keeping facts and decisions from the public, particularly in the present public war psychology, can only lead to disastrous consequences, I fear.

The editors of The Freeman have authorized me to make this suggestion to you in the hope that you would consider it a service to your fellow Americans.

I beg to remain,

Very sincerely yours,

ALFRED KOHLBERG.

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EXHIBIT No. 344

SEPTEMBER 14, 1951.

Mr. JOSEPH ALSOP,

*Washington, D. C.*

DEAR MR. ALSOP: In your column of September 5 you state you personally saw John Carter Vincent approve Vice President Wallace's report to President Roosevelt recommending the recall of General Stilwell from command in China. In your column of September 12 you contend this proves that Louis Budenz perjured himself when he named Vincent as a Communist. You state the Wallace report is top secret and was unpublished until revealed by you.

1. This Wallace report was known to Mr. Budenz in August 1950, as I showed him the enclosed letter from Henry Wallace—that was 1 year before he testified before the McCarran committee.

2. As per enclosed photostat of letter from Mr. Vincent, dated October 11, 1949, Mr. Vincent denies your statement that he participated in the Wallace report.

3. Under date of April 18, 1947, Acting Secretary of State Dean Acheson wrote Senator George, referring to a charge that Mr. Vincent had assisted in the preparation of the Wallace report, as follows:

"Comment: Mr. Vincent was assigned by the Secretary of State to accompany Mr. Wallace, the Vice President of the United States, on the journey mentioned. Mr. Vincent did not prepare or assist in the preparation of the report and does not know what recommendations it contained. Mr. Vincent had never met Mr. Wallace prior to the trip to China, saw him only a few times on official business after their return, and has had no contact with him since his resignation from the Government."

4. Mr. Wallace's several reports to President Roosevelt (he made at least three) all sing the general tune of "Chiang must go." In another letter to me Mr. Wallace hinted that the report you quote was not sent from Kunning but was referred to General Stilwell at New Delhi and dispatched from there.



In short, the Wallace reports were pro-Communist, except for the recommendation for the replacement of Stilwell; the real explanation of which you seem to miss. Furthermore, both Mr. Vincent and Secretary Acheson deny that Vincent had anything to do with them. Yet on this flimsy evidence you charge Louis Budenz, who testified from inside Communist knowledge, with perjury.

It is apparent that somebody is misstating the facts. Either you, on the one side, or Vincent and Acheson on the other. Why not ask Wallace?

If I were a member of your "Bleeding Hearts, Inc.," seeking to cry "Witch-hunt" I could not find a better example of a vicious charge, without factual basis, than yours.

Very truly yours,

ALFRED KOHLBERG.

Mr. SOURWINE. Before questioning Mr. Alsop this afternoon with regard to his testimony this morning, I would like to find out what this is.

I hold in my hand a statement. Maybe Mr. Alsop can tell us. I think it is being passed out by you.

Mr. ALSOP. That is correct. I told the chairman about it before I gave it to the press. I spoke to the committee from rough notes. I drew up a statement. The mimeograph people made a mistake here. It is a simply coherent presentation of what I said this morning.

Mr. SOURWINE. Does it purport to be your testimony this morning?

Mr. ALSOP. It does not and I have so warned the members of the press. Parts of it where I had prepared my notes carefully and read directly from them do represent what is already in the record. Other parts do not, obviously.

Mr. SOURWINE. Does it represent or include any of the questions that were asked you this morning?

Mr. ALSOP. No.

Mr. SOURWINE. Nor any of your answers to those questions, except where you followed a prepared text?

Mr. ALSOP. That is correct. It is my statement.

Mr. SOURWINE. You said you didn't have a statement; didn't you?

Mr. ALSOP. I said I was not going to make a statement to the committee.

Mr. SOURWINE. You said you had no press release.

Mr. ALSOP. I said I had no press release at that time.

Mr. SOURWINE. We now have one?

Mr. ALSOP. Yes.

Mr. SOURWINE. It does not represent your testimony this morning?

Mr. ALSOP. In part, it does.

Mr. SOURWINE. It is a statement which includes portions of your testimony this morning presented in the manner in which you desire to present it to the press?

Mr. ALSOP. It is a coherent relation of the various points I was attempting to make.

Mr. SOURWINE. It doesn't represent a presentation in a manner in which you do not desire to present to the press?

Mr. ALSOP. No.

Senator SMITH. It is a statement without some of the testimony mentioned this morning?

Mr. ALSOP. With some other, too.

Senator SMITH. With some other?

Mr. ALSOP. There are some passages in there I did not get in the record.

Senator SMITH. This is merely a statement to the press and not intended to be a résumé or statement of what you testified to before the committee?

Mr. ALSOP. No.

Senator SMITH. You started off: "Mr. Chairman and members of the committee."

Mr. ALSOP. I warned the press this was an error.

Mr. SOURWINE. Who made the error?

Mr. ALSOP. I couldn't possibly tell you. I didn't make the arrangements.

Mr. SOURWINE. You mean you have no knowledge as to where this was mimeographed?

Mr. ALSOP. My secretary handles the mimeographing.

Mr. SOURWINE. Do you have any knowledge as to where this was mimeographed? You just testified you couldn't tell us.

Mr. ALSOP. If you will just be calm for one moment, I gave instructions that the thing be mimeographed as a statement.

Mr. SOURWINE. Mr. Chairman, may I have a yes or no answer?

Senator SMITH. I thought he was going to answer.

Mr. ALSOP. I gave instructions that the thing be mimeographed as a statement, and the instructions were unfortunately not followed. I don't know what mimeographing company did it. I don't handle those things.

Senator SMITH. As I understand, Mr. Sourwine asked you if you knew who mimeographed this statement that you are presenting.

Mr. ALSOP. I think it is a company called Bowman. I don't choose who mimeographs this.

Senator SMITH. You made it clear the statement does not represent a summary of the testimony you gave this morning in some portions of it?

Mr. ALSOP. Some portions it follows, and others it includes other things.

Senator SMITH. It is sort of like a lawyer's brief. He mentions his sides of the case that are most important.

Mr. ALSOP. That is correct.

Senator SMITH. Did you say you had another statement you wish to make?

Mr. ALSOP. Yes, sir; because Mr. Budenz—I wonder if I can borrow a copy of the record of Mr. Budenz's second testimony from Mr. Mandel. I wonder if you have one without all of those documents in it. I am afraid I will lose my place and lose them.

Where does the second testimony begin?

The paging does not come out right with the copy Mr. Morris gave me this morning. I wonder if you have that copy.

Mr. MORRIS. He wants the third.

Mr. ALSOP. The third on which the question of Mr. Wallace's mission came up. It was the one Mr. Morris gave me this morning. It was a much thinner one than this.

Thank you, Mr. Mandel.

Mr. Budenz addressed himself to proving there was a pro-Communist tendency in the part of Mr. Wallace's Kunming cable which I joined in writing which did not relate to the recall of General Stilwell from China.



This was an historical and reportorial statement to the President summarizing the main points of Mr. Wallace's conversation with the Generalissimo and describing the situation in China as he found it at that time.

Mr. Budenz first came to the passage at the beginning of the cable, and I quote:

The discussion between the representatives of the Chinese Communists and those of the Chinese Government are taking place in Chungking, but the attitude of Chiang Kai-shek toward the problem is so imbued with prejudice that I can see little prospect for satisfactory long-term settlement.

Mr. Morris. Is that an anti-Communist expression, Mr. Budenz?

Mr. Budenz. Most decidedly not. It helps the Communists—

and so on.

On that point, Mr. Chairman, I think you have to put this statement of Mr. Wallace's in its historical background in order to see how misleading, in fact, it was.

The implication there was a pro-Communist tendency behind these sentences which I actually wrote, I mean.

In the first place, you must remember that the Chinese Communists and the National Government had been in partnership in the prosecution of the war against Japan and the Communist armies had been employed under the direct command of the Generalissimo from the outbreak of the war immediately after the Marco Polo Bridge incident in about 1940-41.

At that time the partnership broke down.

In the second place, you have got to remember that Americans in that period were a little bit naive about politics and that the primary emphasis was given in those days to winning the war.

The Chinese Communists at that time occupied a vital area of China in the northwest. The B-29s which had just come into Chendoo, a great project that cost us \$2 billion for bombing Japan, operated exclusively over northwest China.

The Fourteenth Air Force operated very much over the northwest of China. It was vital to have intelligence in the fullest measure from northwest China.

It was also highly desirable from the standpoint of operations inside China to have a working military understanding between the Chinese Communists and the Chinese nationalists.

To give you one example: Had there been such a working understanding even without any political liaison whatsoever, the Japanese offensive, which I testified about this morning, which had to be based in Peking and all the supplies which had to be carried down through Communist territory, could have been impeded greatly by Communist attacks on the Japanese supply lines.

There was nothing short of a great need for straight, simple military cooperation. The Generalissimo at the time that Mr. Wallace is reporting on had for internal political reasons on his own motions inaugurated the talks with Communist representatives—I believe the Communist representative was Chou En Lai—looking forward to some kind of an understanding.

What Mr. Wallace was really saying here was these talks were going very badly. The reason they were going very badly was that Chiang realized the political importance of dealings with the Communists; whereas, most Americans, including, I must say, General Chennault, could not see why the Communists and the nationalists

could not get together and work together on the straight military level as they had for, I think, 3 years, at the beginning of the war.

This phrase "imbued with prejudice" relates to that. I think it is an unfortunately chosen phrase by hindsight, but I see nothing helpful to the Communists about it. It is a report of the situation, at least so far as motive was concerned, and there was nothing helpful to the Communists about it. It is a report of the situation as Mr. Wallace knew it at that time.

Mr. MORRIS. Is it an anti-Communist declaration?

Mr. ALSOP. No; it is not anti-Communist. Mr. Wallace has not contended, nor do I contend this reportorial part of the cable is either pro or anti-Communist, except in one passage which I shall come to.

The anti-Communist part of the cable is the part where General Stilwell's dismissal is recommended. I am attempting to refute Mr. Budenz's testimony that this helps the Communists or was intended to help them.

Senator SMITH. In other words, Mr. Budenz said one way and you said the other, based on your conclusions on the same language?

Mr. ALSOP. Yes, but I was there when the thing was written, so perhaps my evidence on the situation and its origination—

Senator SMITH. You know under the law any instrument is construed against the man who writes it, so that will not do you any good.

Mr. ALSOP. The second point Mr. Budenz makes is the sentence:

I emphasized to him the importance of reaching an understanding with Russia. This goes on:

This was the first point in the Communist drive at that time in their literature—et cetera.

A Sino-Russian understanding may well have been the first point in the Communist drive at that time, but I can assure the chairman from personal discussions with Dr. T. V. Soong, who was Foreign Minister of China, it was also one of the two or three first points in Chinese policy. It was also a first point in American policy.

Obviously, if a Sino-Russian understanding could possibly be arranged, a great deal of trouble was bound to be avoided.

It seems to me Mr. Budenz might have put in some of those facts when he commented on this passage in Mr. Wallace's cable.

I should add the Chinese desire for a Sino-Russian understanding reached the stage a little earlier than this point where they tried very hard to go around behind the back of the American Government and make it a Sino-Russian understanding independently and on their own without telling their people they were having negotiations with the Soviet Union.

This was the Generalissimo's government that did it, and the Generalissimo, I was informed, although he did not tell me, was fully aware of the attempt.

Senator WATKINS. Where did you get your information?

Mr. ALSOP. From Dr. Soong, sir. He was Foreign Minister of China.

Senator WATKINS. Direct conversations?

Mr. ALSOP. Yes, sir. I worked with, and even lived in the house of Dr. Soong for very long periods of time. There was a very long period when he was, owing to a political crisis which I testified about



earlier this morning, under house arrest. He had very few other people to talk to. He had no means of exercise, except to drive out of Chungking a couple of miles, under guard, and walk up and down in those rice paddies, those miserable paddies.

I used to be his companion. Consequently, he confided a great many things to me, although I was his close adviser, a great many things otherwise he might not have told me. He was in great agony of soul at that time.

Senator SMITH. Where is he now?

Mr. ALSOP. In New York, sir.

There is just one more point here which I am having difficulty finding. I cannot find the passage, but I think Mr. Morris will not dispute it, that one of the main Communist aims was also to discredit and undermine the Generalissimo. On this point he addressed himself to another passage of Mr. Wallace's cable.

Mr. BUDENZ. Thirdly, and I consider this very important in view of what the Communists were driving for at that time—

Namely, to discredit and undermine the Generalissimo—

instability and tenseness characterized the political situation with the rising lack of confidence in the Generalissimo and the present reactionary leadership of the Kuomintang.

That again I think very emphatically represents Chiang Kai-shek as incapable of coping with the situation. This is expressed still further when it says Chiang Kai-shek seems to be unsure regarding the political situation, bewildered regarding the economic situation, and while expressing confidence in the army, distressed regarding military development. This is the picture the Communists were trying to have presented of Chiang Kai-shek, as incompetent and incapable of handling the situation. There is no mention here of the long struggle of Chiang Kai-shek against the Japanese

and so forth.

As a man who was there at the time and who saw all the intelligence reports at least that were available to the Fourteenth Air Force, who was in the very close touch by the nature of my duties with General Chennault with the developments of Chinese politics, I want to assure you that this was a rather pale and moderate reportorial description of what was going on in China at that time.

You must recall that the Government of China in 1943, October 1943, had come into the hands, by an unfortunate crisis, of an extremely competent, excessively corrupt reactionary clique. They had played a trick on the Generalissimo and had got power.

For the sake of the Senator here, who was not here this morning, I will say that their character was symbolized by the fact that for political and factional reasons, money and arms were denied to the forces of the chief Chinese general in east China resisting the Japanese attack because he belonged to the opposite faction.

Senator WATKINS. Was that within their own party?

Mr. ALSOP. Yes, the Nationalists. You had this terrible political problem on the one hand, which I may say the Generalissimo moved to cure very shortly after Mr. Wallace left China.

On the other hand, you had these series of shattering military defeats. The whole armies in Honan, several hundred thousand men, completely destroyed in a matter of 3 weeks.

Changsha, which is the great center on the Yantze, had fallen in a matter of days. The Japanese driving south of Changsha to the vital

cities of east China and the air fields in east China of the Fourteenth Air Force.

These disasters were sending through China a terrible surge of disintegration and weakness. I can recall General Chennault, after-going to Chungking and talking to the Generalissimo, coming back and telling me how worried he was about the Generalissimo whom he had admired more than any man because the weight of this burden, the terrible situation which Chiang Kai-shek found himself in and getting no aid from General Stilwell, was really telling on him.

I think Mr. Wallace's description was perhaps exaggerated, but this was not Communist propaganda. This is a verbatim construction of the situation in China as it existed at that time and it does not tell half of it.

I would finally point out, Senator, that the aim of painting this dark picture was to bring home to the President the great gravity of the situation and, therefore, to induce him to replace General Stilwell, take this last drastic action of replacing General Stilwell, so that Chiang Kai-shek might have adequate aid and support in these desperate situations in which he found himself.

Senator SMITH. Do you know whether or not there was anyone advising with General Stilwell as to what was going on and that his recall had been recommended?

Mr. ALSOP. Recommended by Mr. Wallace?

Senator SMITH. Yes.

Mr. ALSOP. I wouldn't know that.

Mr. MORRIS. Is it your contention that that Kunming cable was a document of such a nature that anybody concurring in the issuing of that report would, ipso facto, be anti-Communist?

Mr. ALSOP. Providing he knew anything at all about the situation in China.

Mr. Vincent was Chief of the China Division of the State Department.

Mr. MORRIS. Have you further testimony that John Carter Vincent did concur in the issuance of that report?

Mr. ALSOP. Not only concurred, but contributed.

Mr. MORRIS. Did you testify that the anti-Communist essence of that report is the dismissal of General Stilwell?

Mr. ALSOP. I do. General Stilwell was the chief asset of the Communists in China, not because he was disloyal, because he hated the Generalissimo and had no political judgment, followed certain policies which assisted the Communists.

Mr. MORRIS. This morning we had read into the record three Daily Worker articles that showed that the Daily Worker concurred in the dismissal of General Stilwell. Haven't you, therefore, simply testified that John Carter Vincent took the same reaction to the Stilwell cables as the Daily Worker took?

Mr. ALSOP. I have testified no such thing, Mr. Morris. If I may, Mr. Chairman, I would like to speak to this point since it has been discussed so much in regard to these Daily Worker articles.

In the first place, I would like to request that there also be——

Mr. MORRIS. What is there about the question?

Mr. ALSOP. Do I have permission to answer?

Senator SMITH. I think if you can answer the question he asked you, if you understood the question.



Senator WATKINS. The answer did not seem to be quite responsive to the question.

Senator SMITH. Let us see if Mr. Morris can ask the question again, or do you wish to have it read back?

Mr. MORRIS. Read it back.

(The record was thereupon read by the reporter.)

Mr. ALSOP. May I attempt to answer, Mr. Chairman?

Senator SMITH. Yes.

Mr. ALSOP. My answer is, I have not testified in that sense in the first place.

In the second place I consider that Mr. Morris is making a very misleading use of these Daily Worker articles. I would like to speak to that point if the chairman will permit me.

Senator SMITH. Certainly; but as I understood Mr. Morris' question it was rather simple. If the reaction on Mr. Vincent wasn't the same as the reaction on the Daily Worker.

Is that not your question?

Mr. MORRIS. They concurred.

Mr. ALSOP. I consider the question is inherently misleading because it addresses itself to so tiny a part of the truth that it is inherently misleading.

I would like to address myself to this subject of these Daily Worker articles, if I have your permission.

Senator SMITH. We want you to come back after you have addressed yourself to answer the question whether or not they did not concur in the final conclusion regardless of what prompted them to do that. If the Daily Worker and if Mr. Vincent did not finally have the same reaction, that amounted to a concurrence, I mean.

Mr. ALSOP. I think it can be shown they did not.

As to these articles, I think the first thing to remember they are articles written after the fact.

The second thing, when the Communists were, much to their surprise I am confident, confronted with this rather shattering fait accompli of the loss of their greatest asset in China, namely, General Stilwell, the question was: How were they going to respond to their loss?

There are many other Daily Worker articles from which I quoted which show they placed the highest value on General Stilwell at the time even after he was actually dismissed and ceased to be of any value to them.

One of them, for the information of the Senator here, described him specifically as "our favorite general."

I submit first that this indicates what the party line probably was at the time when Mr. Vincent concurred in the recommendation for this dismissal of General Stilwell, which was some months earlier.

An active member of the Communist Party you can't feel somehow would have gone to work and helped to arrange a Vice Presidential recommendation for the dismissal of our favorite general.

In the second place, there is the problem of the nature of a Communist reaction to an event after they are confronted with the fait accompli.

On this point I have consulted Dr. Franz Borkenau, who is, without any question, the greatest world authority on the International Communist Party. If I am not incorrect, Dr. Borkenau was not only a member of the inner group of the Politburo of the German Party,

he was also an official of the Comintern itself and in short, one of the really eminent figures in the Communist movement.

I believe on the whole that from the standpoint of the Communist Party organization he was the most eminent single Communist who has ever deserted. He has since occupied himself with writing the history of the world Communist Party.

When this point of the Daily Worker was raised here yesterday by Mr. Morris in Mr. Wallace's testimony, I called up Dr. Borkenau, who is now living a studious and retired life here in Washington, and asked him about this matter. He said a great deal of documentation could be provided if need be and when the libraries were open, on the way that the Communists handle a fait accompli, but that he could give me just off the top of his head one example from the period under discussion, namely, November 1944.

At that time there was a great crisis in France and Belgium. The French and Belgian Communist Parties simultaneously threatened on November 2, 1944, an armed rising if the Governments decrees, the French and Belgian Governments, ordering disbandment of the Communist militias that were then operating in France and Belgium were carried through.

In Belgium the issue was so acute that the British troops actually had to shoot armed Communist demonstrators carrying before them women and children as a screen.

Mr. Churchill in the House of Commons commented that there was no doubt that the Communist attempt to capture power had been put down.

When the rising had been defeated, the Communist ministers who had previously resigned from the cabinets in France and Belgium, and had declared they would never return unless this project for disbanding the Communist militias was abandoned quietly walked back into the cabinets with their hats in their hands and said, "Well, now let's forget about the whole business."

That was what happened in France. I am not so sure about Belgium.

Mr. SOURWINE. How are you so sure about France?

Mr. ALSOP. I have Dr. Borkenau's information on it.

Mr. SOURWINE. Did he tell you about the "hats in their hands"?

Mr. ALSOP. If you wish me to document the story, I can do so in a most extensive manner.

Mr. SOURWINE. I am endeavoring to find out what efforts you made to document. Where did you get the stuff about "hats in hands"?

Mr. ALSOP. You will recognize that was a figurative expression.

Mr. SOURWINE. Yes, I do so recognize, but you were giving it as testimony as to the matter of historical fact.

Mr. ALSOP. I had assumed from your question that you had not recognized it as a figurative expression. I should have thought anyone would have.

They came back into the cabinet and were very glad to come back into the cabinet.

Mr. SOURWINE. How did you know that?

Mr. ALSOP. Because they said so.

Mr. SOURWINE. To whom did they say it?

Mr. ALSOP. Let's not dispute this matter. If you want any further documentation, I can go to the Congressional Library and submit to the committee the most extensive extract files of L'Humanité.



Mr. SOURWINE. This is the testimony to which you are testifying under oath and it is not impertinent to ask you how you know about it. It is obviously hearsay from Dr. Borkenau, but you have not stated he told you that somebody told him.

Senator SMITH. I think we had better limit the testimony or have this gentleman come here and testify under oath on that particular phase of it, since he is convenient to the committee in Washington.

Mr. ALSOP. I am reluctant to drag him before you.

Senator SMITH. I think he is making statements. They are statements upon which we are supposed to base some credence and he ought to come before the committee so that we might do what Mr. Sourwine suggests.

One of the privileges is always to have cross-examination of a witness who makes a statement. That is the only way you can get at the final truth.

Mr. ALSOP. May I withdraw Dr. Borkenau as my witness and offer to substantiate any testimony in full from the files of the French Communist newspaper, *L'Humanité*, which occupied toward the French Communist Party the same relationship as the *Daily Worker* does here.

Dr. Borkenau is not a young man. He is a studious man. He is in no sense in public life. The whole story is told in the files of *L'Humanité*.

Senator WATKINS. You have copies?

Mr. ALSOP. They are in the Congressional Library.

Mr. MORRIS. The question before the committee is: Did the *Daily Worker* concur in the dismissal of General Stillwell?

Mr. ALSOP. If Mr. Morris will excuse me, the chairman has given me permission to address myself to the problem of these *Daily Worker* articles. I am trying to show the chairman what the Communists do when they are confronted with a *fait accompli*.

An armed rising was attempted. The Communist ministers left the cabinet. Their troops were involved. The rising was put down. This is the *Daily Worker's* comment on the final result on November 4.

The whole thing happened very briefly. Communists were most critical of the Government fearing that the achievements of the existence would be undermined if the old Vichy police were permitted to take over the—

Senator SMITH. That is in France?

Mr. ALSOP. Our *Daily Worker*. Yes, what the *Daily Worker* is to America, *L'Humanité* is in France.

Senator SMITH. We have enough in China now.

Mr. ALSOP. I am trying to say, sir, here you have Mr. Morris bringing into the record articles which show Communist treatment of a political *fait accompli* which they could not get over, around or under.

I am trying to give you a parallel case in which they were again confronted with the *fait accompli*, and which they responded to by accepting it.

Senator SMITH. This is a simple question, it seems to me, to answer. Mr. Morris has asked you in effect, one, that the *Daily Worker* had approved of the recall, or reacted favorably to the recall of General Stilwell.

Mr. MORRIS. That is right.

Senator SMITH. Two, that Mr. John Carter Vincent reacted favorably to the recall of General Stilwell.

Is that not true from the evidence before us?

Mr. ALSOP. I do not think it is a true statement of the facts, sir. In the first place, it is incorrect to say that the Daily Worker reacted favorably to the recall of General Stilwell. They sought to pass off the recall of General Stilwell as unimportant while giving clear evidence at the same time by calling him "our favorite general" and in other ways.

This was an event they greatly regretted.

Senator SMITH. Certain people have called other persons "my favorite candidate for election coming up." They do not mean they approve of them.

Mr. ALSOP. Taken in conjunction with the rest of the evidence concerning General Stilwell's value to the Communists, I think you can see why they called him "our favorite general."

Mr. MORRIS. When you bring up the point about the Communists considering General Stilwell their favorite general, you understand that your testimony along those lines coincides exactly with Mr. Budenz; do you not?

Mr. ALSOP. Mr. Budenz did not read the Starobin article which I introduced.

Mr. MORRIS. There is no question of what Budenz' thinking was in regard to the favorite general of the Communists?

Mr. ALSOP. My position on this is very simple. In the first place, I think it is perfectly irrelevant what the Daily Worker said about Stilwell's recall after he was recalled. The time Mr. Vincent concurred and joined in a recommendation for Stilwell's recall was in June 1944. At that time Stilwell was an invaluable asset to the Communists. I cannot believe that a Communist would have joined and concurred in the recommendation for his recall.

When the Communists were confronted with the fait accompli of his recall, they produced a rather mixed reaction, as they frequently do, and as Henry Luce says, "They got caught with their party line down."

After about a month they shook down in the direction of passing it off and said they hoped the Stilwell policies would be continued?

Senator WATKINS. Could they not have been rejoicing that General Chennault was not chosen?

Mr. ALSOP. I have already testified that Mr. Wallace and Mr. Vincent wanted to nominate General Chennault and I prevented them from doing so.

Senator WATKINS. Could not the Daily Worker have been happy that Chennault was not chosen?

Mr. ALSOP. That doesn't appear in the Daily Worker.

Senator WATKINS. All their motives possibly do not appear in the article.

Senator SMITH. You say Mr. Vincent approved of the recall of General Stilwell?

Mr. ALSOP. I say he concurred; joined and concurred in a recommendation for it.

Senator SMITH. I assume he approved.

Mr. ALSOP. Yes.



Senator SMITH. Without a play on precisely the words. The Daily Worker articles had been read, some of them. Not saying whether I believe them, but some of the Daily Worker articles also approved of Stilwell's recall if they were writing the truth there that they felt that way.

Mr. ALSOP. May I say I do not consider this is an accurate version of the Daily Worker's reaction if you take all the Daily Worker articles that were published together, put them down side by side.

Senator SMITH. The point is, did not some of their articles approve of Stilwell's recall? Those that were read here?

Mr. ALSOP. I cannot say that I agree with that, Mr. Chairman, because I do not.

Senator WATKINS. Will not the record show whether they did or did not, without having this witness trying to throw light one way or the other?

Senator SMITH. I think so.

Mr. ALSOP. Since so much has been made of these articles, I would like to have introduced into the record the other articles such as that by Starobin, in which Stilwell is described as "our favorite general," and that Mr. Budenz rather conspicuously did not bring forward.

Senator SMITH. That is something you thought of he did not.

Mr. ALSOP. I have them marked here.

Senator WATKINS. Do we have the Daily Worker articles in the record to which Mr. Alsop has been referring?

Mr. ALSOP. You have the Daily Worker articles in the record in which it is contended—in my opinion, they do not—they sustain the case of Mr. Budenz.

You do not have those which take an opposite line.

Senator WATKINS. Do we have the articles that seem to be somewhat of a reaction one way or the other to the recall of General Stilwell?

Mr. ALSOP. You only have some of them.

Senator WATKINS. I am asking the clerk. I do not think you probably know whether they do.

Senator SMITH. Mr. Morris offered in evidence here in the testimony certain editorials from the Daily Worker in which is the foundation for the question that the reaction of the Daily Worker to General Stilwell's recall was the same reaction that Mr. John Carter Vincent had from Stilwell's recall.

Therefore, the idea that the Daily Worker or the Communists, were glad of General Stilwell's recall. We do have some of those articles in evidence, as I understand.

Senator WATKINS. If there are any more of them that reflect the attitude of the Daily Worker, as one member of the committee, I think we ought to have them before us. I think the entire file of the Daily Worker ought to be here because we can check on anything, then.

Senator SMITH. That is right. Anybody that has any editorials they wish to present, just name them.

Mr. ALSOP. I would like to have included in the record—I will keep only to the relevant ones—the article by Joseph Starobin in in what is well known to be the most important spot in the Daily Worker.

Mr. MORRIS. Of what date?

Mr. ALSOP. November 1, 1944, page 6.

Senator WATKINS. What is that spot?

Mr. ALSOP. It is the spot under the cartoon. I believe Mr. Budenz himself has written this is where the boys look to find out what the milk of the truth really is.

Senator WATKINS. Mr. Budenz has testified that this Daily Worker is the telegraph line from Moscow to its followers here in the United States. All of it is important, I guess.

Mr. ALSOP. This is regarded as the most important part.

Mr. MORRIS. Mr. Budenz himself has quoted from Mr. Starobin, so there is no issue.

Senator SMITH. Let him put in whatever he wants.

Mr. ALSOP. I would like to have it stated for the record, Mr. Budenz did not quote from Mr. Starobin. There was only one article he put in. That was the article by Frederick Vanderbilt Field, published over a month after General Stilwell's recall.

It was Mr. Morris, the committee counsel, who put in Mr. Starobin's article.

Senator WATKINS. The record will show for itself. It is hardly necessary to tell what is in, and not.

Mr. ALSOP. This is the Starobin article on page 6 of November 1.

Mr. MORRIS. This is the one that begins:

The sudden withdrawal of Gen. Joseph C. Stilwell from Burma-China has won outstanding merit.

Mr. ALSOP. That is the one that describes him as "our favorite general."

Mr. SOURWINE. Could that whole article go in?

Senator WATKINS. Let us have them filed for the record.

Senator SMITH. We will consider them by reference, so they can be referred to and if any points come up, we can check.

Mr. ALSOP. I would like to have in the record by reference the selection of extracts from Brooks Atkinson's report on the Stilwell recall in the New York Times which the Daily Worker republished on that same day, November 1, on page 8, containing the paragraph:

Now General Stilwell has been forced out of China by the political system that has been consistently blocking him and America is acquiescing in a system that is undemocratic in spirit as well as fact and is also unrepresentative of the Chinese people who are good allies.

Senator SMITH. Was not that the view also expressed by many other Americans that had no connection whatever with the Communists?

Mr. ALSOP. Exactly.

Senator SMITH. There was a great deal of sympathy for General Stilwell and a great deal of feeling that it was not wise to replace him regardless of Communist or anti-Communist, or what not?

Mr. ALSOP. Although it couldn't possibly make up for the recall of General Stilwell, this was in the eyes of the Communist, a sort of silver lining to the dark cloud of their loss because they had reason to hope that pressure would be brought on Chiang Kai-shek because of the public commitment.

There never could have been as much pressure as General Stilwell brought.

Mr. MORRIS. In all fairness, you will want to call attention to Mr. Joseph Starobin's article where he mentions:

I disagree with Brooks Atkinson of the Times in only one respect—et cetera.



Mr. ALSOP. That is the silver lining of the cloud. I call that whistling in the dark.

I would also like to have included the article on the editorial page, page 8, I think, of the issue of November 4, by Mr. Starobin, entitled "China Regained," in which there is a great deal more praise for General Stilwell. The guest column of that issue, by Frederick Vanderbilt Field, is on page 9, where Mr. Field speaks of the Stilwell's, the Sun Fo's, the Madam Sun Yat-sen's, the patriots, who struggle for a national unity whereby we may fight against and defeat our hated enemy.

I would like to also have included in the record the article by James S. Allen on page 4 of the issue of November 5, entitled "The Hand of GOP Reaction Helps Shape China's Crisis."

Stilwell's recall, writes Mr. Allen, and the crises revealed by it, are at least in part the work of the most reactionary imperialist anti-Roosevelt forces within the United States.

As I testified this morning, that is equivalent to saying it is a job done by murderers in Daily Workerese.

I would like to have included in the record from that same issue of November 5, 1944, the article by Earl Browder himself on the editorial page, which is page 8.

Mr. MORRIS. What is the date?

Mr. ALSOP. It is called "Dewey Reveals His Foreign Policy," in which Mr. Browder remarks:

His, Governor Dewey's lieutenants, have openly supported Chiang Kai-shek's disunity of policy in China which brought about the recall of General Stilwell.

That is by implication a strong indication of displeasure.

I think those are enough to burden the record with. They should also be enough to show that this final acceptance of the fait accompli by Frederick V. Field or rather this tentative first article by Starobin, could not in any way bear out what must have been the Communist Party line relative to General Stilwell when Mr. Vincent joined and concurred in recommending the dismissal of this general, who was, in fact, the most invaluable asset the Communists in China had.

This I would also like to point out occurred 6 months prior to the publication of these articles and before the fait accompli.

Mr. MORRIS. Do you have any direct evidence that John Carter Vincent was a member of the Communist Party?

Mr. ALSOP. The chairman and I went over that this morning, Mr. Morris.

In my opinion, the overwhelming weight of the evidence is against it, but, obviously, as I cannot read the mind of another man, and I don't know of any way to prove that a man by documents is not a member of the Communist Party, I have no such direct evidence.

I would like to ask you: Can you think of any document except a document over and above the document involving a very powerful anti-Communist agent, that would disprove an allegation of membership in the Communist Party?

Mr. MORRIS. Should I be sworn?

Senator SMITH. No. I do not want to get you to swearing. We have enough already.

Mr. ALSOP. Let me put it to you. You might have a document showing that Mr. Vincent was in the pay of the FBI as an agent to spy

upon the Communists, and it would be quite possible and anyone who has any knowledge of intelligence procedures might know this man was hired by the FBI to spy upon the Communists, but was a double agent and was really working for the Communists and spying on the FBI.

It is a familiar intelligence procedure.

Senator WATKINS. On this matter of evidence of whether or not Mr. Vincent was a Communist, it is one of those things we are investigating as we go along. Whatever evidence there is against them being a Communist, of course, we ought to receive.

As I understand, Mr. Alsop came here to contradict and impeach the evidence given by Mr. Budenz. Mr. Budenz, as I understand from his testimony, was in the inner workings of the American Politburo or the American Communist Party which was in direct communication with Moscow and under its control.

He testified from the inside this man was considered as a Communist. That was his evidence; what he heard. I take it for granted it would probably be assumed any man trying to represent the American Government and at the same time being a Communist, was not going to do a lot of things every day in the year to indicate he was a Communist.

He was at least going to try to fool them some of the time. That was one of the possibilities that may enter into the picture.

Senator SMITH. Mr. Vincent should come here and challenge Mr. Budenz's statement and say, "I am not a Communist." That draws the issue.

One says he is, and one says he is not.

Senator WATKINS. Mr. Budenz is only testifying from what was considered from within the party, that he was one of their men. No matter what the documents may show or what was said on the outside, it is still possible he may be still telling the truth.

Mr. ALSOP. Mr. Budenz' testimony goes further than you say. I read it specifically.

Mr. MORRIS. Mr. Budenz, was John Carter Vincent a member of the Communist Party?

Mr. BUDENZ. From official reports that I have received, he was.

Senator WATKINS. Within the party it was officially reported to him he was.

Mr. ALSOP. There is another grave aspect of this matter, Senator, and that is Mr. Kohlberg has stated in a letter to me that Mr. Budenz, when he so testified before your committee, had been made aware by him, Mr. Kohlberg, that Mr. Vincent and Mr. Wallace had participated in this profoundly anti-Communist act.

It seems to me that it puts Mr. Budenz in a very peculiar position, if he came before this committee and testified that Mr. Vincent was a member of the Communist Party, that he guided Mr. Wallace toward a Communist objective, at the same time suppressing the knowledge which Mr. Kohlberg has written me that Mr. Budenz had, that Mr. Vincent participated in this profoundly anti-Communist act which was the main result of the Wallace mission.

Senator WATKINS. You have a right to your conclusion. He is testifying as a member of a secret organization that is supposed to know members of the party.



Speaking from what was given to him then, what he heard, and the official reports you have referred to, he came to the conclusion, and so testified, that he was one of their members, a member of the Communist Party. Whatever he did on the outside can be used one way or the other and should be carefully weighed to determine whether he was or was not a Communist agent.

The mere fact he did some things that would be contrary to the Communist line would be some evidence, but it might not be the controlling evidence in the end that he was anti-Communist because spies and people who are working that way, of course, will perform many things to mislead the people with whom they are working.

We take that into consideration in weighing the evidence. It is not an indication that Mr. Budenz was lying when he said from the knowledge that he had, from the secret inner workings, the secret meetings of the Politburo he got that information and he was cured.

I cannot say what you said contradicts what he has told us.

Mr. ALSOP. There are certain other points you have to consider. For example, these are that before Mr. Budenz had learned that Mr. Wallace and Mr. Vincent had wanted to nominate General Chennault, he testified before this committee on his second appearance on this particular matter, that they were pleased with the nomination of General Wedemeyer for the specific reason that it had excluded General Chennault.

This was proof this was a Communist act.

Senator WATKINS. Before you leave this matter of General Wedemeyer, did you know at the time General Wedemeyer's views on communism and on what ought to be done over there to save the situation from the Communists?

Mr. ALSOP. I knew General Wedemeyer was a very able and a very far from pro-Communist officer.

Senator WATKINS. Did you know what position he had taken on any argument he presented?

Mr. ALSOP. I had reason to believe he was very dissatisfied with General Stilwell's policies.

Senator WATKINS. He may have been, but we asked in executive session—and I think since Mr. Wallace has testified in public session that I can refer to it—he said he did not know the views of General Wedemeyer at that time.

Mr. ALSOP. I, however, was in China.

Senator WATKINS. He said he did not know. It may have been from the Communist point of view they had someone who would be fair to them and they were not disturbed.

Mr. ALSOP. Mr. Vincent, I think, would have known.

Senator SMITH. Is Mr. Vincent still living?

Mr. ALSOP. I believe he has just returned from Tangiers.

Senator SMITH. He knows what he has said.

Mr. ALSOP. Yes.

Senator SMITH. Why can he not tell the committee?

Mr. ALSOP. I should imagine that would be the best evidence.

Senator SMITH. I do not see any need of us fussing about whether he was or was not a Communist, because we cannot determine that. I think it is up to Mr. Vincent if he wants to come here to give us testi-

mony with such corroborating circumstances and documentary evidence as he wishes. We will certainly investigate it.

I do not see any need of us arguing about whether or not he was a Communist.

What is the next, Mr. Morris?

Mr. MORRIS. Is it not true you have stated in one of your columns that Mr. Budenz has given untruthful testimony in connection with John Carter Vincent being a member of the Communist Party, and you use as a basis of that conclusion the fact that he did not so testify last year before he came before the Foreign Relations Committee?

Mr. ALSOP. I would like to see that column.

That is quite correct, nor did he before that committee.

Senator SMITH. Did he say anything that was contrary to what he said before us, or it was something he did not mention?

Mr. ALSOP. It is a very peculiar part of the record I have studied very carefully. Mr. Budenz was asked by Senator McMahon whether John Carter Vincent was a member of the Communist Party. He replied: "This is a serious charge," and that he did not wish to make it without further consideration.

In other words, he was not at that time sure.

Senator SMITH. No; that does not necessarily follow. He might have been sure, but he might not have felt he should expose him.

Mr. ALSOP. He said he was preparing a list of members of the Communist Party.

Toward the end of these hearings Senator Lodge asked him if he had prepared this list and urged him to present it to the committee.

He said that he was not ready with a list. He subsequently testified before this committee that he told Mr. Morris privately on the phone that Mr. Morris was a Reserve officer in the Naval Intelligence and that, therefore, as one or two removes a part of the security apparatus of our Government and that Mr. Vincent was a Communist at that time.

That was not known to me when I wrote my column. I had only available the public records in which he had been twice publicly asked to name Mr. Vincent as a Communist, first directly, and, second, in the form of a request for this list which as far as I know, he has never yet produced.

Both times he had refused. Therefore, I wrote in my column what was the literal fact that he had refused to identify Mr. Vincent as a Communist before the Tydings committee.

Senator WATKINS. A better word would have been "hesitated."

Mr. ALSOP. He refused, sir.

Senator SMITH. I see how a man might know a friend of his, or somebody he knew, was a Communist, and yet not want to say so. He might say, "Let somebody else do it." I can see how you do not want to disclose about someone else unless it falls in line with your duty.

Anyhow, that was the basis of your statement?

Mr. ALSOP. Yes.

Mr. MORRIS. Mr. Chairman, at that time on that occasion of Mr. Budenz's testimony, the committee directed that a letter be sent to the White House to ask if there was such a report in the intelligence files. We received this morning a letter dated October 17, 1951, from Matthew J. Connelly, secretary to the President. It reads:



DEAR SENATOR McCARRAN: In response to your letter of October 5, 1951, in which you requested a report concerning Mr. John Carter Vincent, said to have been filed through the District Intelligence Office of the Third Naval District, I wish to inform you that the files of the Navy Department have been checked. The report to which you refer was dated May 1, 1950.

It then goes on to say I was the reporting officer. Mr. Budenz had told me and I had made a report. I would like that whole letter in evidence.

Senator SMITH. Let us have the whole letter read.

Mr. MORRIS (reading):

It consists solely of the statement that an unidentified Naval Reserve officer had advised the District Intelligence Office of the Third Naval District that he had received information to the effect that Mr. John Carter Vincent was a Communist Party member. The source of the information does not appear, and no evidence to support this assertion appears in the report.

The Reserve officer in question was subsequently identified on May 22, 1950, by the District Intelligence Office of the Third Naval District as Lt. Commdr. Robert Morris, said to be special counsel to the Republican members of the Senate subcommittee investigating charges of communism in the State Department.

Inasmuch as the Robert Morris who was responsible for this report on Mr. Vincent appears to be the same Robert Morris who is now counsel to the Senate subcommittee of which you are chairman, and inasmuch as the report does not indicate that he revealed the source of his information or provided any evidence to support it, it is suggested that you may wish to inquire of him as to his source and the evidence which led him to initiate the report.

Very truly yours,

MATTHEW J. CONNELLY,  
*Secretary to the President.*

That is evidence of the fact Mr. Budenz did make the report.

Senator SMITH. It is received.

(Document referred to and read in full was marked "Exhibit No. 345," and filed for the record.)

Senator SMITH. Is that referring to the incident Mr. Budenz testified to?

Mr. MORRIS. Yes.

Mr. ALSOP. Mr. Budenz is not mentioned, however, in this report.

Senator SMITH. Is there anything else?

Mr. ALSOP. No, sir.

Mr. SOURWINE. I have some questions, Mr. Chairman, if it is all right.

I would like to request that unless the witness or his attorney has reason to believe that any of the questions are unfair or unfairly phrased, that the witness be instructed to make his answers as responsive as possible, or keep them down to a minimum. They do not always have to be a yes or no, but we are getting along in time here. I would like to cover a little bit of area.

Mr. PURCELL. May I make a statement?

Senator SMITH. Yes.

Mr. PURCELL. I am sure the witness will reply as briefly as possible. When he is asked to answer yes or no, I am sure he will do that.

You understand yes or no answers do not always tell the whole story.

Senator SMITH. I can understand how any commentator wants to comment on something he is asked about. So we will excuse him for that tendency, but we may have to hold you down to answering the question.

Mr. ALSOP. I am willing to let you be the judge, Mr. Chairman.

Mr. SOURWINE. Do you know, Mr. Alsop, whether Mr. Budenz, in his official capacity as a Communist, ever had any official papers dealing in any way with the status of John Carter Vincent?

Mr. ALSOP. I do not.

Mr. SOURWINE. If he ever did have any such papers, did you know what they contained, or what they might have contained?

Mr. ALSOP. Clearly I couldn't possibly know if I don't know he had any papers. I couldn't know anything about that.

Senator WATKINS. The answer would be "No."

Mr. ALSOP. I would say he has not produced such papers.

Mr. SOURWINE. Do you know whether the Communists fixed or set, or had any objective for Mr. Wallace in connection with his visit to Asia?

Mr. ALSOP. I assume that the Communist objective was to support their general program in Asia and Mr. Budenz testified at some length on the subject. It sounded to me as though his testimony was tailor-made to support his previous assertions.

Mr. SOURWINE. Do you know, Mr. Alsop, whether the Communist Party fixed or set, or had any objective for Mr. Wallace in connection with his trip to Asia?

Mr. ALSOP. I know nothing about the inner workings of the Communist Party of the United States. I was in China at the time.

Mr. SOURWINE. Do you know whether the Communist Party fixed or had or set any objective for Mr. Wallace's mission to Asia?

Mr. ALSOP. I will reply again: I know nothing about the inner workings of the Communist Party in America in 1944, because I was in China at the time.

Mr. SOURWINE. Do you have an aversion to using the simple Anglo-Saxon negative?

(No answer.)

Mr. SOURWINE. The answer is "No"; is that not it?

Mr. ALSOP. The answer is what I have given, Mr. Sourwine, and I would like to have it stand in the record.

Senator WATKINS. I think the record will show when he analyzed what it said, it was "No," but it was around and around.

Mr. SOURWINE. It is not a direct answer to the question that was asked.

Mr. ALSOP. I presume if I confine myself to one sentence, that is adequate.

Mr. SOURWINE. If the Communist Party had any objective with regard to Mr. Wallace's trip, do you know what it was?

Mr. ALSOP. I do not know about the inner workings of the Communist Party, Mr. Sourwine.

Mr. SOURWINE. If the Communist Party had any objective with regard to Mr. Wallace's trip, and you have no knowledge of what such an objective might be, or whether there was such an objective, can you say whether such an objective, if there was one, was attained?

Mr. ALSOP. Could I have that question read back?

Senator SMITH. Yes.

Mr. ALSOP. These questions are so complex and so apparently irrelevant I want to understand them very clearly before I answer.

(The record was thereupon read by the reporter.)



Mr. ALSOP. Mr. Chairman, Mr. Sourwine has in that question used the language what such an objective might be.

On that I do have some knowledge.

One of the objectives undoubtedly might have been and in the greatest possible probability was to sustain General Stilwell who was working at that time in such a way that if he had not subsequently been dismissed, I think the record would show beyond doubt that the Communists would probably have come to power in China before the end of the war. That is my answer to that question.

Senator SMITH. If that had happened, it could not have been any worse than it is?

Mr. ALSOP. I think it could have been substantially worse, because at that time we were less well prepared for the situation that we find ourselves in than we are now. I think Indochina, Burma, and Malaya would undoubtedly have been swept into the vortex, sir.

Mr. SOURWINE. You expressed the opinion that that question was irrelevant. Do you recall having told the committee that one of the three contentions of Mr. Budenz which you intended to prove false was his contention that the Wallace mission attained the objectives set for it by the Communist Party?

Mr. ALSOP. Mr. Sourwine, I shall answer that question "Yes," but I should like to add something to my answer if the Chairman will permit.

Senator SMITH. All right.

Mr. ALSOP. I have attempted to prove before this committee that unless the Communist Party is stark, staring, raving mad, which I assume it is not, they could not have possibly wanted anything but the continuance in command of General Stilwell. He was their greatest asset in China. The sense of Mr. Budenz' testimony is that a recommendation for the dismissal of General Stilwell, who was the greatest Communist asset in China, attained, or, in fact, the actual language is "Carried out the objective of the Communist Party."

I submit to you that this has some bearing on the assertion that I have made.

Senator WATKINS. We seem to have done very well without General Stilwell.

Mr. ALSOP. I would like to say to you, sir, that General Wedemeyer who replaced General Stilwell, came very close to rescuing the situation, came very close to it.

Mr. SOURWINE. Mr. Chairman, can I bring this back for just a moment, with the permission of the witness?

Senator SMITH. All right.

Mr. SOURWINE. Mr. Alsop, if you have no knowledge of any Communist objective, if there was one, how can you testify that Mr. Budenz swore falsely when he said there was an objective and that it was attained?

Mr. ALSOP. Mr. Sourwine, if you will examine the record, I think you will find that I have repeatedly testified I had no knowledge of the objectives of the Communist Party in the United States. I had very considerable knowledge, if I may say I had in some measure expert knowledge of the objectives of the Communist Party in China, which was the area to which Mr. Vincent's action related. I have as evidence

of this knowledge this letter of General Wedemeyer which I offered for the record this morning, in which he states:

I felt that you understood perhaps better than any other American in China theater at that time the full implications of the Communist movement.

Mr. SOURWINE. Mr. Chairman, is that letter evidence of what General Wedemeyer thought of Mr. Alsop?

I have no desire, and I am sure this committee has no desire, to demean Mr. Alsop's knowledge on any subject.

I submit further that the witness' statement just now points up what I said before that his repetition of the statement that he knew nothing about Communist objectives was not an answer to the particular question which I asked. That is, because he is now qualifying in effect that previous answer.

Mr. ALSOP. I said, to quote myself, and I dislike having to do so all this time, I knew nothing about the inner workings of the Communist Party in the United States. I specifically wanted to put it that way in order to give you an accurate answer to your question.

I knew very well the Communist objectives in China. In the international Communist movement, if it operates the way it is supposed to operate, the Communist Party in the United States accepted the Communist Party objectives in China and worked to further them.

As to that I cannot testify from personal knowledge. That is precisely why I so phrased my answer in the way you objected.

Senator SMITH. Mr. Sourwine is asking the question: How can you testify to what Mr. Budenz said on that point if you had no knowledge?

Is that not what you said?

Mr. SOURWINE. That is the substance.

Mr. ALSOP. Let me say I had a different kind of knowledge from what Mr. Sourwine specified, so I could not reply I had no knowledge.

I knew Communist objectives in China. I do not know the inner workings of the American Communist Party. I assume it shared and tended to promote the objectives of the Chinese Communist Party, which were well known.

Senator WATKINS. What you are giving is opinion evidence. That is your judgment?

Mr. ALSOP. No.

Senator WATKINS. You do not pretend you were in the confidence of the Communist regime in Moscow?

Mr. ALSOP. There were Communist representatives at Chungking.

Senator WATKINS. Do you think they would tell you their exact objectives?

Mr. ALSOP. They were very frank about their objectives.

Senator WATKINS. You think they could be believed?

Mr. ALSOP. As their objectives were to get American arms and to force the Generalissimo into an unequal coalition with them, at least you could believe they wanted to go that far.

Senator WATKINS. I am talking about the long-range objectives.

Mr. ALSOP. It was very clear to me that what they wanted to do was to take power which they have now done.

Senator WATKINS. It seems to me from what you have said it is largely opinion evidence based on what you have read and seen and heard.



I mean the same kind of evidence you have been condemning in Mr. Budenz.

Mr. ALSOP. No, sir; it is not opinion evidence. I saw Madam Sun Yat-sen not so very long after General Stilwell had been dismissed. She was, I suppose, a Communist agent in Chungking since she is now a member of the executive committee of the Chinese Communist Party.

Senator SMITH. She is a sister of Madam Chiang Kai-shek?

Mr. ALSOP. Yes.

Senator SMITH. They are working both sides of the street.

Mr. ALSOP. They were on all three sides of the street.

Senator WATKINS. That is the first time I knew a street had three sides.

Mr. ALSOP. Madam Sun Yat-sen lamented in the most vivid and clearest language the loss of General Stilwell which she said would be irreparable and specifically stated that all the projects that were being matured under General Stilwell's regime would probably not go through now that this change in command occurred.

Senator SMITH. Let us get back to the question Mr. Sourwine asked you, which was, in substance, as I recall, how can you say Mr. Budenz had not correctly stated the aims or objectives of the Communist Party, or whatever it was he was mentioning at the time, if you did not have some knowledge?

If you had no knowledge, how can you deny what he said?

Mr. ALSOP. I have been trying to suggest I had a different kind of knowledge which also bore very directly on the question.

Senator SMITH. I do not quite understand that answer.

Senator WATKINS. It seems to me the questions and answers are largely argumentative and matters of opinion. The committee will have to decide on whatever facts we can get.

Mr. SOURWINE. I am attempting to limit the questions to questions which are not argumentative and questions which are those of fact.

If I can proceed with a few questions and have the witness answer them briefly and succinctly, I believe I will be through.

I am not intending to argue.

I will go back to the beginning, if I may.

Do you recall having stated that one of the three points that you intended to disprove in Mr. Budenz' testimony was that the Wallace mission obtained the objective set forth by the Communist Party?

Mr. ALSOP. I would like to have my testimony read on that point. I don't think I phrased it just that way. I believe I said that it was inconceivable that—well, I will accept that statement. All right, go on. I think it is a slightly incorrect phrasing of what I did say.

Mr. SOURWINE. Do you know whether the American Politburo ever discussed or planned any objective for the Wallace mission for the possibility of controlling or influencing the Wallace mission in any way?

Mr. ALSOP. I have no knowledge of the workings of the American Politburo.

Mr. SOURWINE. Is that a satisfactory answer to the committee?

Senator WATKINS. If that is the truth, that is a satisfactory answer.

Senator SMITH. Is that not equivalent to "no"?

Mr. SOURWINE. Is it, Mr. Alsop?

Mr. ALSOP. I want it specified in the record I am talking about the American Politburo.

Senator WATKINS. That is what the question is about.

Mr. SOURWINE. On that point, Mr. Alsop, have you any fact not already cited by you which you want to advance to the committee in contravention to what Mr. Budenz said with respect to that particular point?

Senator SMITH. Will you read that question back, please?

(The question was read back by the reporter.)

Mr. ALSOP. May I inquire which point you are talking about?

Mr. SOURWINE. Specifically the point that the Wallace mission obtained the objective set forth by the Communist Party.

Mr. ALSOP. No; I have no further evidence on that.

Mr. SOURWINE. Do you recall this morning, sir, stating that one of the three points you intended to disprove was the assertion by Mr. Budenz that this was—that is referring to the first point—because the Wallace mission had been guided by John Carter Vincent and Owen Lattimore?

Mr. ALSOP. I don't understand your question. You will have to read it back.

Mr. SOURWINE. Do you recall that this morning you cited as one of the three points of Mr. Budenz testimony which you would demonstrate as false the statement that the Wallace mission attained its objective, the objective set forth by the Communist Party, because Mr. Wallace was guided by John Carter Vincent and Owen Lattimore?

Mr. ALSOP. This question is so confusing I would like to reply by suggesting that whatever I said this morning be just read back into the record. I still do not understand the question. I don't want to seem contentious.

Senator SMITH. Let us have it again or have it read back.

(The question was read back by the reporter.)

Mr. SOURWINE. I am content that the record should stand on that. I do not mean to be contentious.

Mr. ALSOP. I will attempt to answer the question.

Mr. SOURWINE. I have a memory that you made three points this morning in this order: You said that Mr. Budenz had testified falsely in at least three regards, and you were going to demonstrate the falseness thereof—you named them—(1) that the Wallace mission attained the objective set forth by the Communist Party; (2) because Mr. Wallace had been guided by John Carter Vincent and Owen Lattimore; and, (3) that John Carter Vincent was a member of the Communist Party.

Mr. ALSOP. Let me correct you, Mr. Sourwine. What I testified to this morning was that Mr. Budenz had said the Wallace mission had carried out a Communist objective. I commented on that, that it did precisely the contrary.

Mr. SOURWINE. You mean what you are challenging is Mr. Budenz' statement that the Wallace mission attained a Communist objective?

Mr. ALSOP. Exactly.

Mr. SOURWINE. You say that that is false testimony because the Wallace mission did not obtain a Communist objective?

Mr. ALSOP. It did precisely the contrary.

Mr. SOURWINE. Because it did not obtain a Communist objective?

Mr. ALSOP. I repeat my previous testimony, it did precisely the contrary.

Senator WATKINS. It is the same thing.



Mr. SOURWINE. It is conceivable that the Wallace mission could have obtained both Communist and non-Communist objectives in different matters. The witness has pinned that point down to the precise point which he wishes to argue, namely, that Mr. Budenz was wrong when he said the Wallace mission obtained an objective set forth by the Communist Party.

Therefore, the reverse is that he did not obtain any objective set forth by the Communist Party.

Mr. ALSOP. I believe that to be true, sir.

Mr. SOURWINE. That is all I wanted.

Now the second point which we were discussing before was whether you took issue with Mr. Budenz in his statement that Mr. Wallace was guided by John Carter Vincent and Owen Lattimore.

Mr. ALSOP. Toward the Communist objective.

Mr. SOURWINE. Yes.

Mr. ALSOP. I did not testify about Mr. Lattimore. I should like to have that appear in the record.

In the second place, I said Mr. Vincent did not guide Mr. Wallace toward the Communist objective. Again, he did precisely the contrary.

Mr. SOURWINE. The third point of yours was that Mr. Budenz had testified falsely when he said John Carter Vincent was a member of the Communist Party.

Mr. ALSOP. As to that, I said the overwhelming weight of the evidence was against it in view of the fact that Mr. Vincent joined and concurred in striking the heaviest blow that could be struck the Communist cause in China at that time.

Mr. SOURWINE. Have you, Mr. Alsop, any additional facts beyond those already testified to by you which you want to tell the committee bearing on the question of Mr. Budenz' veracity in either of the last two points?

Mr. ALSOP. I don't think it is necessary to add anything to the testimony I have given already, Mr. Sourwine.

Senator WATKINS. Why not make it broader and ask does he know any other facts? You ask, does he want to tell? He may have some he does not want to tell. I would like to make it broad enough to cover anything he knows.

Mr. ALSOP. Don't put the question in that form because I spent 4 years in China.

Mr. SOURWINE. He has an encyclopedic knowledge.

Senator WATKINS. I want to get at the truth.

Mr. ALSOP. I was constantly in touch with the whole situation that involved almost the history of the Chinese situation.

Mr. SOURWINE. Mr. Alsop, during Mr. Wallace's testimony you may remember that he testified with respect to your desire that he should print the Kunming cables and suggested that we ask you about that when you came on the stand, and with the record in that state I think we should ask you: Is it true that you recommended to Mr. Wallace on several occasions that he release the full text of or print the Kunming cables?

Mr. ALSOP. I recommended to him on two occasions, Mr. Sourwine, first when Mr. Kohlberg wrote him in August 1950 asking for the text of the Kunming cables. On that occasion Mr. Wallace did not follow my advice.

The second occasion was after Senator Lehman made something of an issue of this matter in the Senate. I believe it was the Washington Times-Herald sent Mr. Wallace a telegram of inquiry. Mr. Wallace telephoned me and told me that he had this telegram of inquiry and said he was considering putting out a statement giving the whole story and that there were certain points, as he testified, relative to the complex affairs of China that he was doubtful about.

I said, after all, since my columns had gotten him into this trouble, I would go up to New York and talk to him. It seemed to be the least I could do.

From there on it went on as Mr. Wallace testified except I did urge him, of course, to get the whole story on the public record. I thought it very proper that it should be.

Mr. SOURWINE. I think you testified in executive session, and I wish you would repeat in substance now, with regard to typing a text out in a hotel room.

Mr. ALSOP. It was the story that Mr. Wallace told yesterday. We met in my room at the Carlton House, and first of all discussed these points that Mr. Wallace wanted cleared up, and he gave me an idea of the sort of statement he wanted to make. I always travel with a typewriter, being a newspaperman—in fact, I had just finished writing a column when he turned up—and he wanted to get the thing written there and then, so I sat down at the typewriter.

I don't like to use the word "dictate" because, as I told you, I can't take dictation on the typewriter. He said what he wanted to say. Broadly the language was his. Inevitably some of the connective tissue was mine.

Mr. SOURWINE. Is it correct at that time what he was dictating generally and what you were putting down specifically was for the purpose of a press release rather than transmittal to the White House?

Mr. ALSOP. As far as I can understand, testifying from my own knowledge, I was not clear how he intended to use this statement of the facts. I urged him to make it a press release.

Mr. SOURWINE. What was Mr. John Carter Vincent's position at the time he was designated by Secretary Hull to accompany Mr. Wallace on the Asian trip?

Mr. ALSOP. I can't testify to that on direct knowledge, but I believe he was Chief of the China Division, or whatever they called it at that time, of the State Department.

Mr. SOURWINE. Do you know the reason why he was designated by the State Department to accompany Mr. Wallace?

Mr. ALSOP. I don't know of direct knowledge. He would be the obvious man to choose.

Mr. SOURWINE. Do you think it is a fair assumption he was there for the purpose of giving Mr. Wallace the best advice that he could when Mr. Wallace asked for it and to give Mr. Wallace the benefit of his knowledge and information with respect to China and Chinese affairs?

Mr. ALSOP. I assume so; yes.

Mr. SOURWINE. Do you know whether he did give Mr. Wallace such advice?

Mr. ALSOP. I can't testify to that except to the one occasion that I observed.



Mr. SOURWINE. You were together a good deal, were you not, the three of you?

Mr. ALSOP. We were together, Mr. Sourwine, but you know what a VIP program is like, and if you had seen Mr. Wallace's tendency toward violent exercise, you would know that the VIP program was rather crowded.

Mr. SOURWINE. I want to be sure I understand you.

Mr. ALSOP. We were together, but there was almost always someone else there.

Mr. SOURWINE. Is it your testimony that excepting one instance you did not during the time you were together see or hear Mr. Vincent give Mr. Wallace any advice?

Mr. ALSOP. I would say I am not at all sure that Mr. Vincent was not present when Mr. Wallace consulted me or rather asked my opinion—I think would be a more accurate way to put it—as to the political situation in China.

Mr. SOURWINE. You say you are not sure he was not present?

Mr. ALSOP. Yes; he probably was present. I can't say positively because my recollection is not exact. If he was present, I am sure he joined in that conversation, but I have no recollection of it.

I will say this, though, Mr. Sourwine, he had no serious opportunity to offer Mr. Wallace advice except for this very long time when we were together at General Chennault's house.

Mr. SOURWINE. When he did offer Mr. Wallace advice did Mr. Wallace listen to him?

Mr. ALSOP. Very much because we were all there in the discussion together.

Mr. SOURWINE. Mr. Wallace gave him the respect you would expect to be given under circumstances of that kind?

Mr. ALSOP. Yes.

Mr. SOURWINE. Do you think that the circumstances were such that Mr. Vincent would have been expected to express his disapproval of anything Mr. Wallace proposed, if he did in fact disapprove?

Mr. ALSOP. I very much fear that he would express his disapproval, as I testified this morning, Mr. Sourwine, not because he was in any way in disagreement with the desirability of getting rid of General Stilwell but because he thought it might have been out of line or improper for Mr. Wallace to take this rather drastic step and involve him in responsibility for a recommendation which was impinging on the military and might get the State Department in a row with the War Department.

You know all those considerations that inevitably weigh on any official's mind. He was not, however, moved by those considerations, I am happy to say.

Mr. SOURWINE. Can you tell us, Mr. Alsop, what part, if any, you had in preparing Mr. Wallace's statement or statements before this committee? Was your advice sought in regard to those, the press release?

Mr. ALSOP. Mr. Wallace saw me when he came down here, and we talked. I couldn't say specifically that my advice was sought with regard to the press release. We talked about the story that the press release covered, as we had done before.

Mr. SOURWINE. Did you talk about the advisability of issuing it?

Mr. ALSOP. I urged him to get the whole story on the record; yes, sir.

Mr. SOURWINE. On the day that Mr. Wallace testified in executive session, did you see him subsequent to his testimony?

Mr. ALSOP. Yes, I did. Mr. Ball, his lawyer, said he had done a good job, so I congratulated him.

Mr. SOURWINE. And before he had issued his release?

Mr. ALSOP. Yes; I did.

Mr. SOURWINE. Was the release again the subject of discussion between you at that time?

Mr. ALSOP. It was the subject of discussion between Mr. Ball and Mr. Wallace.

Mr. SOURWINE. I have no more questions, Mr. Chairman.

Mr. MORRIS. Mr. Alsop, do you know whether Henry Wallace visited Madam Sun Yat-sen?

Mr. ALSOP. I believe he did. It appears in one of his cables, I think, or some way or other.

Mr. MORRIS. Do you know how much time he spent with Madam Sun Yat-sen?

Mr. ALSOP. I don't know.

Mr. MORRIS. Do you know whether Madam Sun Yat-sen said anything to influence him?

Mr. ALSOP. I couldn't possibly testify. I think all that appears in the record is that she was a woman of great charm, which indeed she was, I can assure you. She was much the more attractive of the three sisters.

Mr. MORRIS. Apart from her political views?

Mr. ALSOP. Apart from her political views, which were not as clearly apparent to the uninformed eye in those days as they are now.

Mr. MORRIS. Mr. Alsop, do you know whether John P. Davies concurred in the recommendation of Stilwell's removal?

Mr. ALSOP. He knew nothing about it as far as I know, Mr. Morris.

Mr. MORRIS. Do you know whether Mr. John S. Service concurred in the recommendations?

Mr. ALSOP. He couldn't have known anything about it because he wasn't in Kunming.

Mr. MORRIS. Do you know whether Raymond Ludden concurred in the recommendations?

Mr. ALSOP. I have no idea. I didn't discuss it with him.

Mr. MORRIS. Mr. Chairman, I would like to introduce in the record at this time, because of its relevancy, an article by Mao Tse-tung entitled "China Needs Democracy and Unity." The date of this is January 1945, but it was written by Mao Tse-tung on June 12, 1944, and it appears in Political Affairs, of January 1945.

I introduce it in the record to set forth the official Communist Party view at that time with respect to the issue discussed today. It bears on the question that the Communist Party policy at that time concentrated on unity.

I would like to have it in the record at this time.

Mr. ALSOP. Certainly I would like to put something further in the record, Mr. Chairman, as a comment on this article.

Senator SMITH. Have you identified just what part you want to go in, Mr. Morris? Let us get that straight.



Mr. MORRIS. Mr. Chairman, it is only 2½ pages. I would like the whole thing to go in the record.

Senator SMITH. All right.

(The document referred to was marked "Exhibit No. 346" and is as follows:)

#### EXHIBIT No. 346

[From Political Affairs, January 1945—reprinted from People's War, Bombay, August 20, 1944]

#### CHINA NEEDS DEMOCRACY AND UNITY

(By Mao Tse-tung)

We publish here an important interview given on June 12 by Mao Tse-tung, chairman of the Chinese Communist Party, to Chinese and foreign correspondents visiting Yen-an, the capital of the Shensi-Kansu-Ninghsia border region. In view of recent developments in China, it has special world significance, throwing further light on the position of the Chinese Communist Party and on the needed policies for effecting China's unity and liberation.

"I heartily welcome you all coming to Yen-an. Our war aim is the same as ever, and the same as that of the entire people of the world—to defeat Japanese militarism, to defeat the Fascists. The whole of China, as the whole of the world, is united on this issue.

"Your visit to Yen-an coincides with the opening of the second front in Europe. This is an historic moment for the whole world, because the second front will have profound influence not only upon Europe but upon the Pacific and Chinese theaters of war as well. China together with the rest of the world is anxious to go forward, to achieve the final victory.

"All the anti-Japanese forces in China must now concentrate their entire efforts on fighting the Japanese militarists side by side with this decisive offensive in Europe. The present offers a great opportunity to us.

"You must all be very anxious to learn about the internal situation in China. Here I shall speak a few words: the attitude of the Chinese Communist Party toward Kuomintang-Communist relations has been defined over and over again in the declarations and manifestoes of the Chinese Communist Party and its organs. I shall repeat them here again:

"The Chinese Communist Party has never wavered from its policy of supporting Generalissimo Chiang Kai-shek, the policy of continuing the cooperation between the Kuomintang and the Communist Party and the entire people, and the policy of defeating Japanese imperialism and struggle for the building of free democratic China. This was true in the first stages of resistance. This was true in the second stage of the war. This is also true today, because this is and has always been the wish of the entire Chinese people.

"But China has draw-backs and they are serious ones. They can be summed up in one phrase—the lack of democracy. The Chinese people are badly in need of democracy, because through democracy alone can the anti-Japanese war gain strength, China's internal and external relations be put on a proper basis, the victory of the war of resistance insured and the country be built upon sound foundations. It is democracy too that can insure China's postwar unity."

Questioned by the correspondents, Mao announced that the negotiations between the Kuomintang and the Chinese Communist Party have been going on for a long time and he hoped that there would be fruitful results out of the negotiations. He could add nothing new for the present.

As for the second front, he added:

"In future it will be seen that the repercussions of the second front are felt in the Pacific as well. Apparently at the moment it might seem that its effects on China are not direct. But China's problems have to be settled by the Chinese themselves. The improvement of the situation outside by itself cannot solve China's own problems.

"In order to defeat the common enemy, to achieve sound and peaceful international relations and also sound and peaceful international relations, we hope that the National Government and the Kuomintang and other parties will carry out a thoroughly democratic policy in different spheres. The whole world is in the midst of the war. The war in Europe has entered a decisive phase, while decisive battles are also approaching in the Far East.



"But China is still in need of more democracy, which is necessary to further the anti-Japanese war. Only through democracy can our resistance be strengthened. This has been proved by the experience of the U. S. S. R., U. S. A., and Great Britain. The experiences in the past and particularly of the last 7 years of resistance have also proved it.

"Democracy must be all-sided—political, military, economic and cultural, as also in party affairs and internationally. All these spheres must be democratized and everything must be unified. But this unity must be based on democratic foundations.

"Political unification is necessary, but only on the basis of freedom of press, platform and organization. Only a government based on democratic franchise can strengthen the political unification of the country.

"No doubt, unity in the military sphere is more necessary, but even this could be achieved only on democratic principles. If there is no democratic life inside the army, democratic relations between the officers and men, between soldiers and the people, and also between the different armies, then such armies cannot be unified.

"As to economic democracy, what is meant is the introduction of an economic system which is not based on restriction of production and lack of provision for consumption by the vast mass of the people; but one which will give impetus to further production and insure proper distribution and uniform consumption.

"And only democracy can promote the development of education, thought, the press and the arts. This is cultural democracy.

"Party democracy means that there should be democratic relations inside the party and among the different parties.

"I repeat that we are today badly in need of unity, but only the unity that is based on democracy can be real and abiding. It is true for China's internal problems, but it is equally true for the coming League of Nations. Only by democratic unification can fascism be uprooted and a new China and a new world be established. That is why we stand for the Atlantic Charter, and the declarations of the Moscow, Cairo, and Tehran Conferences. And these are what we expect of the National Government, the Kuomintang and other parties and other people's organizations.

"These aims are what the Chinese Communist Party itself is striving to achieve. In our efforts to defeat the Japanese imperialists, we, the Chinese Communists, have introduced a new spirit of democratic centralism in all our work.

"It is on this basis that we can build a new China, defeat our enemies and build in the future sound and peaceful internal and external relations."

Mr. ALSOP. Mr. Chairman, glancing briefly at this article, it relates to an address of welcome to the American liaison group going to Yen-an, which was the Communist capital. The testimony is already in the record that Mr. Wallace was requested to establish this liaison group by General Stilwell's headquarters.

As an instance of the Communist view of General Stilwell at that time in China, I may tell you that one of the very first results of this liaison mission was a formal offer by Mao Tse-tung and other Communist leaders to place their Communist armies under the personal command of General Stilwell.

I think that that is a necessary commentary on that article and indicates very clearly that the dismissal of General Stilwell can hardly have been in accord with any Communist objectives.

Senator SMITH. You had seen this before, had you?

Mr. ALSOP. I had read that article in Political Affairs.

Mr. MORRIS. I would like to say that my introduction of this in the record was completely apart from the remarks made by Mr. Alsop.

Senator SMITH. I think we understood. You wanted to put this in, and he had something to say about it.

Mr. ALSOP. I think it is a necessary commentary on the article.

Mr. SOURWINE. Mr. Alsop, do you see any difference between testifying you do not believe a man and testifying he is a liar?

Mr. ALSOP. Yes, I see a considerable difference, Mr. Sourwine.



Mr. SOURWINE. With regard to Mr. Budenz, have you been attempting to testify you did not believe him or to testify that he is a liar?

Mr. ALSOP. I am attempting to testify that he is guilty of untruth, the language I wrote to the committee, and in the letter I wrote to the chairman I called him a liar. I think he was.

Mr. SOURWINE. Not because you disbelieve him but on the basis of facts you brought to the committee?

Mr. ALSOP. The overwhelming evidence before the committee indicates he lied on this occasion.

Senator SMITH. Mr. Alsop, there are two or three questions I should like to ask you.

Now if there are any Communists in America, you agree, do you not, that they should be tracked down and exposed?

Mr. ALSOP. I do, fully, Senator.

Senator SMITH. Now do you have any doubt in your mind that there are at least some Communists in the country?

Mr. ALSOP. I have none at all, Senator.

Senator SMITH. You have no doubt about it?

Mr. ALSOP. None at all.

Senator SMITH. I believe Mr. Hoover said there are some 50,000 or more that he mentioned.

Mr. ALSOP. Something on that order, I recall.

Senator SMITH. Now do you think they should be ferreted out by some Government agency, if possible?

Mr. ALSOP. I agree with you completely, Senator.

Senator SMITH. Do you think that Congress as one arm of the Government should make efforts to do that?

Mr. ALSOP. Senator, we are getting now into a question of my view about proper—

Senator SMITH. This is very simple.

Mr. ALSOP. I believe that Congress as one arm of the Government should promote efforts to do that, but I doubt very much whether a legislative body is well fitted, in view of the enormous burden placed on the time of the Members by the business of legislation, to ferret into a question so complex and so difficult as to the kind of questions we have been discussing here.

Senator SMITH. How would you do it if the legislative body did not do it?

Mr. ALSOP. I think I would possibly pass legislation either creating an agency of a semijudicial nature or with some kind of semijudicial adjunct that would be charged with doing it, or you could put it under the FBI or in some other way, make it an expert task.

I don't mean to say for a moment that I impugn the motives of this committee or the kind of efforts that are being made. I just think the other procedure is a better one.

Senator SMITH. That would require activity by the legislative branch of the Government?

Mr. ALSOP. Yes.

Senator SMITH. One way or another it has to be done by the legislative branch?

Mr. ALSOP. Yes.

Senator SMITH. How do you approve of the system which we have attempted to use here, of conducting executive sessions where we think that an individual's name may be mentioned for the first time in con-

nection with some possible Communist activities in order that his name may be protected unless there is real evidence?

Mr. ALSOP. Senator, in that connection I want to make two confessions, not just one.

First, I thought that the system was wrong until I experienced it.

In the second place, and this relates to something that Senator McCarran said this morning, I also thought when I wrote my first columns that the committee itself had had some part in encouraging Mr. Budenz to give what seemed to me demonstrably false testimony. I would like now to say for the record that after seeing Mr. Budenz in his second appearance on the stand, I think it was Mr. Budenz that misled the committee and not the committee that encouraged Mr. Budenz. I consider that Mr. Budenz is the only man who has been in any way at fault in this matter.

Senator SMITH. Now, you realize in that connection this committee or any investigating committee cannot hear but one witness at a time?

Mr. ALSOP. I agree with that.

Senator SMITH. You were present during part of Mr. Budenz public testimony?

Mr. ALSOP. That is correct.

Senator SMITH. Now, as I recall, you were given the privilege of testifying immediately following Mr. Budenz—were you not?—if that suited your convenience.

Mr. ALSOP. Yes, and I told Senator Ferguson that it would be impossible, or I indicated to Senator Ferguson that I wasn't ready, and you can see the mass of documentation; I couldn't testify in any serious way at that time.

Senator SMITH. So, you have no fault to find with the committee hearing you today instead of some preceding day?

Mr. ALSOP. None at all.

Senator SMITH. That was for your convenience as well as the committee's?

Mr. ALSOP. Yes, sir.

Senator SMITH. Now, I believe you did refer in one of your articles, which was read on the Senate floor by Senator Lehman, to the fact that the committee was guilty of accepting demonstrably false testimony. Now, you explained that a moment ago, as I understood.

Mr. ALSOP. Yes. I would say this also, Senator: that it seems to me that it makes the point that I made earlier against this kind of procedure: that these facts as to the real outcome of Mr. Wallace's mission were easily ascertainable by a properly expert procedure, and this testimony, I feel quite confident, would then have not been given; and it demonstrates, I think, the need for a larger expert apparatus to do this work less in the glare of publicity and with more attention to the background facts, which suggests the value or absence of value of the testimony of a man who comes now very close to being a professional informer.

Senator SMITH. You realize—do you not—that the courts in accepting testimony first have witnesses sworn?

Mr. ALSOP. Yes, sir.

Senator SMITH. Therefore, the court has to rely upon the witness being sworn and thereupon telling the truth?



Mr. ALSOP. I agree with that.

Senator SMITH. That does not guarantee the accuracy or the truthfulness of the witness?

Mr. ALSOP. Yes; that is true.

Senator SMITH. You realize that is what this committee is attempting to do in swearing the witness?

Mr. ALSOP. I withdraw any criticism of the committee.

Senator SMITH. You would not say that the committee was chargeable because a witness swore falsely here?

Mr. ALSOP. I think the procedure is at fault and not the committee.

Senator SMITH. You would not blame the committee if a witness has testified erroneously or untruthfully here?

Mr. ALSOP. Let me put it this way, Senator: Your excellent system of holding executive hearings is intended to avoid false accusations against innocent persons. In the present case, in my opinion, a wholly false accusation has been brought against an innocent person, Mr. Vincent.

I do believe, with a different kind of procedure and with a larger range of prior investigation and a lesser tendency to accept, without inquiry, the allegations of a man who is by now almost a professional informer, the background of the Wallace mission to China would have been looked into; and, if Mr. Budenz had testified as he did, he would have been subjected to more careful questioning, greater knowledge being in the hands of the committee, and a different impression would in the end have been made.

It is all a matter of procedure.

Senator SMITH. You realize—do you not—that even in conducting hearings in executive session the committee has to be careful lest they be accused of attempting to suppress information on someone? That is true; is it not?

Mr. ALSOP. I agree with that.

Senator SMITH. You agree generally that, where possible, where there is reasonable basis, we may say, a hearing involving public interest to such extent as this should be conducted in the open where everybody interested could see it?

Mr. ALSOP. I agree.

Senator SMITH. Now, I believe that Senator Lehman on the floor of the Senate made some statements to the effect that some very grave charges had been made against this committee and in effect said it was a slander upon the Senate. Now, those were not your words; were they?

Mr. ALSOP. No; I think they are a fair representation of what I had written at that time, which I have now withdrawn because, having seen Mr. Budenz in performance the second time, I am convinced the fault was his and not the committee's.

Senator SMITH. You do not subscribe to the statement made by Senator Lehman on the floor of the Senate?

Mr. ALSOP. Let me say, sir, I would have to qualify my reply to that because Senator Lehman gave a perfectly accurate summary of the articles which I then wrote, and Senator Lehman, if I am correct—and I have read the record—did not in any sense take responsibility for the accuracy of my statements.

Senator SMITH. I understood that.

Mr. ALSOP. He asked instead for an investigation of their truth or falsehood.

I have withdrawn the statement, withdrawn any implication that the committee purposely encouraged this false evidence. I say now that the man who is at fault was Mr. Budenz. So, I couldn't say that Senator Lehman didn't accurately reproduce what I wrote, because I think I was in error.

Senator SMITH. Now, I have one other question, and then I am through. Do you feel now, Mr. Alsop, that there is anything else you wish to say to this committee or any other evidence you wish to introduce?

Mr. ALSOP. No, sir.

Senator SMITH. Up to now?

Mr. ALSOP. I think we have covered the story very completely.

Senator SMITH. I think you understood today, from what the chairman said, that if something else did develop which in your mind ought to be presented, and that if you would let us know, we would be glad to let you present it? You understood that?

Mr. ALSOP. I don't mean there isn't a lot of evidence, but it does seem to me the story is complete, and there is no use burdening the time of this committee with repetition.

Senator SMITH. Then you understand we will receive any other evidence?

Mr. ALSOP. Yes.

Senator SMITH. Now, do you have any complaint against the conduct of this hearing so far as you are concerned?

Mr. ALSOP. On the contrary, I think it has been most fair.

Senator SMITH. Don't you forget your column is carried in my home-town paper.

The committee will be in recess until 10 o'clock tomorrow morning. (Whereupon, at 4:30 p. m., the hearing was recessed until 10 a. m. Friday, October 19, 1951.)





# INSTITUTE OF PACIFIC RELATIONS

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FRIDAY, OCTOBER 19, 1951

UNITED STATES SENATE,  
SUBCOMMITTEE TO INVESTIGATE THE  
ADMINISTRATION OF THE INTERNAL SECURITY  
ACT AND OTHER INTERNAL SECURITY LAWS OF THE  
COMMITTEE ON THE JUDICIARY,  
*Washington, D. C.*

The subcommittee met at 11:25 a. m., pursuant to recess, in room 424, Senate Office Building, Senator Arthur V. Watkins presiding.

Present: Senators Smith, Ferguson, and Watkins.

Also present: Robert Morris, subcommittee counsel, and Benjamin Mandel, director of research.

Senator WATKINS. The hearing will come to order.

Mr. MORRIS. Admiral Cooke has been sworn in executive session. I think it will be well to swear him again for this public session.

Senator WATKINS. Do you solemnly swear the testimony given in the matter now pending before the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COOKE. I do.

## TESTIMONY OF CHARLES MAYNARD COOKE, ADMIRAL, UNITED STATES NAVY (RETIRED)

Mr. MORRIS. Will you give your full name and residence to the reporter?

Mr. COOKE. Charles Maynard Cooke. My permanent residence is in Sonoma, Calif. The last 2 years I have been living in Formosa.

Mr. MORRIS. What is your present military status, Admiral Cooke?

Mr. COOKE. I am a retired admiral, United States Navy.

Mr. MORRIS. When did you retire from the United States Navy?

Mr. COOKE. The 1st of May 1948.

Mr. MORRIS. Admiral Cooke, will you tell us what your present occupation is?

Mr. COOKE. My present occupation is that I have just terminated a tour of service as an employee of the Commerce International-China, which has been furnishing technical services to the Chinese in Formosa.

Mr. MORRIS. Is that an American corporation, Admiral Cooke?

Mr. COOKE. Yes.

Mr. MORRIS. What was your position with that corporation?

Mr. COOKE. I occupied a position of coordinator of this group of technicians that served in Formosa.

Mr. MORRIS. Who were those technicians, Admiral Cooke?



Mr. COOKE. They were some retired officers, some Reserve officers, some ex-officers of the services of the United States, and some enlisted men, too.

Mr. MORRIS. They are all United States citizens?

Mr. COOKE. Yes.

Mr. MORRIS. They were all employees of Commerce International-China?

Mr. COOKE. Yes; CIC, as it is referred to.

Mr. MORRIS. Admiral Cooke, have you ever been in the employ of the Chinese Government?

Mr. COOKE. No, sir.

Mr. MORRIS. Admiral Cooke, I wonder if you will give us a brief sketch of your experience in the United States Navy for background purposes?

Mr. COOKE. At the time of Pearl Harbor I was commander of the *Pennsylvania*, and shortly after Pearl Harbor I came to Washington, first as assistant chief of staff in charge of plans under Admiral King, who was the commander in chief of the Navy.

Later I became deputy chief of staff, and later the chief of staff to Admiral King, in which capacity I was serving when the war terminated.

During that period I served as chief strategic and policy adviser during the entire war to Admiral King and served with him in the Joint Chiefs of Staff meetings, the Combined Chiefs of Staff meetings, and the meetings of the heads of the governments around the world.

During 1945, as the war was terminating, I participated in the formulation of the policy of the United States regarding the Far East.

Do you want me to go on with that?

Mr. MORRIS. Yes; I wish you would develop that briefly.

Mr. COOKE. And we recognized that the dominating power in Asia—Japan was about to be defeated, and there was great danger that Russia would move in. So our view was that the Chinese power had to build up, that China had to be made a prosperous nation.

In carrying out that policy, we expressed our views or formulated our views in the Joint Chiefs of Staff, including the original drafting of a law to reconstitute the Chinese Navy. China was about to end up the war with a fairly good-sized army, somewhat of an air force, and zero navy.

So it was the view of the Chiefs of Staff that the United States should prepare legislation to build up their navy, in which I participated in doing. About December of 1945 I terminated my duty with Admiral King and proceeded to China in command of the Seventh Fleet, which was our fleet stationed in Chinese waters, and was in command of that fleet for about 2 years and 2 months.

During that period I was directly concerned with building up a Chinese Navy under orders of the Navy Department and later in accordance with the terms of the Law 502, which was passed by the Congress to establish a Chinese Navy, passed July 16, 1946, but formulated before I had left Washington in general terms.

I was in command of all our combat forces in China after the departure of General Wedemeyer about April 1946, which included our marines in Tsingtao, Tientsin, and Peiping. In February 1947 I

was called back to confer with the Navy Department and the State Department about our policy regarding marines staying in Tsingtao.

At that time I also conferred with the President about the situation out there. I proceeded back to China and completed my duty there in February 1948. I was due to retire for age in 1948 and came back and retired on the 1st of May 1948.

After retirement I was called on to talk about the situation in China over various parts of the United States, which I did, until about October 1949. At that time the Chinese People's Republic was formed, and on October 3 the Russians recognized it.

In my opinion the situation had then become extremely critical to the United States in that there might be the loss of Formosa where the Chinese Nationalist Government was moving, either preceded or followed by recognition of Communist China, which from my experience that I had had dealing with the situation in the Far East for a number of years would be very disastrous.

I had been recommending for a long period a military mission out there, which was not established—

Mr. MORRIS. This is now what year, Admiral Cooke?

Mr. COOKE. This is now after October 3, 1949, when the Russians recognized the People's Government of China.

Senator FERGUSON. Where were you stationed then, Admiral?

Mr. COOKE. I was retired then. I had retired the 1st of May, and I was living in California, and I proceeded east here to go into this question of what could be done about that. So I went into the question of the Chinese themselves hiring officers, retired officers, under permissive action of the President.

Senator FERGUSON. They had to have consent to waive the law which prohibits that?

Mr. COOKE. The Constitution says that they must have the sanction of Congress. The sanction of Congress existed, but through the discretion of the President.

Senator FERGUSON. That is the point, that you had to get the President to exercise the discretion?

Mr. COOKE. That is right.

Senator FERGUSON. You did not have to, but the Chinese Government if they wanted to have a mission of American people?

Mr. COOKE. Well, not necessarily the Chinese Government, Senator; just so it existed.

Senator FERGUSON. It could not exist if somebody did not do it?

Mr. COOKE. That is right. Actually a recommendation to that effect, that one be formed, was sent in to the State Department by Mr. Pauley.

Senator FERGUSON. Where were you when General Marshall went on his mission in 1946?

Mr. COOKE. He went in 1945, Senator. I was just terminating my duty with the commander in Washington, and shortly to proceed myself—I arrived out there about a month after General Marshall.

Senator FERGUSON. Did you see him in China?

Mr. COOKE. Yes, sir.

Senator FERGUSON. Did you have any conversation with him?

Mr. COOKE. Yes, sir; I did.

Senator FERGUSON. As to his mission?



Mr. COOKE. I had to do with the general business of what the Navy was doing. When I first went out there we were helping the Chinese to establish navy yards there that would assist us in maintaining our own ships on minor overhaul and repair; and then I had to do with him in connection with the Anping incident. I had to do with him in connection with the building up of the Chinese Navy itself, and I had to do with him in connection with the embargo and with our policy in China.

Senator FERGUSON. You would have to know what the policy was in China in order that you might carry out your duties as an admiral for the United States Navy?

Mr. COOKE. Yes, sir.

Senator FERGUSON. Did you find out what our mission was? If so, what was it?

Mr. COOKE. Our general mission was to assist the Chinese in accepting the surrender of the Japanese, to reconstitute a free China, a strong China, and to avoid participating in fratricidal warfare.

Senator FERGUSON. What were you to do with the Nationalist Army in China?

Mr. COOKE. Of course, I didn't have much to do with the Army myself.

Senator FERGUSON. As to the mission, your conversation with General Marshall.

Mr. COOKE. I can say this, Senator. In the beginning I was working hard to reestablish the Chinese Navy. There seemed to be a little bit vagueness about what we were to do with the Chinese Navy, and General Marshall at one time asked me how did I know that it was the policy of the United States to reconstitute the Chinese Navy. My answer was that the Congress had passed a bill to that effect, and I assumed it to be the policy for China. There was no further answer to that.

Senator FERGUSON. So that ended that?

Mr. COOKE. Yes, sir.

Senator FERGUSON. What about the Army?

Mr. COOKE. There were no Army combat troops there, but there was a sort of mission whose chief function was to advise the Chinese Government about the establishment of their Army command in Nanking. In other words, so far as I know, they participated in no operational advice to the Chinese Army.

Senator FERGUSON. Did you know anything about the consolidation of the Nationalists and the Communists in one government?

Mr. COOKE. Yes, sir.

Senator FERGUSON. Was that discussed with you?

Mr. COOKE. Yes, sir.

Senator FERGUSON. What was said?

Mr. COOKE. I was more immediately involved in the operation to bring Chinese divisions into the Chinese Nationalist Army. There were about 20 divisions, as I remember it, of Communist divisions, that would be brought into the Chinese Army, and to carry that out there were American field officers established around the various parts of China and an executive headquarters established in Peiping consisting of the representatives of the Communists, the Nationalist Government, and of the United States. That was under General Marshall, and immediately under Mr. Walter Robertson who was a

Minister representing the United States and stationed in Peiping.

Now I knew about this in general, and I got to know about it very acutely in particular because we had marines in Peiping, supporting them, we had marines in Tientsin. We moved supplies to support this mission, and the marines, too, of course, from Tientsin to Peiping.

On the 29th of July 1946 our Marine convoy of trucks moving supplies up there, guarded by 42 marines, was ambushed by about 600 Communists and 4 of them killed, including the officer in command.

Mr. MORRIS. They were under your command, were they, Admiral Cooke?

Mr. COOKE. Their mission was to convoy supplies from Tientsin to 42 in the group.

Mr. MORRIS. What was their mission?

Mr. COOKE. Their mission was to convoy supplies from Tientsin to Peiping to support the executive headquarters and our marines stationed in Peiping.

Mr. MORRIS. The executive headquarters were the National Government headquarters?

Mr. COOKE. It was the headquarters established under the general direction of General Marshall. It had Nationalist representatives, Communist representatives, and United States representatives. It was for the purpose of bringing these two armies together to form a combined army, you might say, under the Chinese Government.

Senator FERGUSON. Why did you not accomplish that?

Mr. COOKE. Never could get an agreement. Of course, it was not under me, but there never was any agreement on it. The terms of it were never completely agreed to.

Senator FERGUSON. You went there after Wedemeyer left?

Mr. COOKE. No, sir; I went there before.

Senator FERGUSON. How long after you got there did he leave?

Mr. COOKE. About 3 months.

Senator FERGUSON. About 3 months?

Mr. COOKE. Yes, sir.

Senator FERGUSON. Do you know anything about the supply of ammunition to the Nationalist troops?

Mr. COOKE. Yes. After he left, around the 1st of August 1946, the supply was cut off.

Senator FERGUSON. Why?

Mr. COOKE. Well, I didn't do it, and I can't say why.

Senator FERGUSON. Did General Marshall ever discuss that with you?

Mr. COOKE. He discussed it in general without making too much comment except that he made the observation to me that we, meaning the United States, had armed the Chinese, and now we were disarming them. In other words, we had undertaken to equip thirty-odd Chinese divisions, equip them with guns and things of that kind, and then we stopped the flow of ammunition and made a complete embargo, so we didn't supply it or wouldn't let them buy it for a period of about 10 months, I believe. He just made that observation to me, that is all. He wasn't called on to do it, but he did do it.

Senator FERGUSON. It amounted to disarming them because they were not getting the ammunition for the weapons we had supplied them?

Mr. COOKE. That is right.



Senator FERGUSON. What effect would the arming of the Nationalists have had as far as the Communists were concerned?

Mr. COOKE. Of course, the Communists were being very well supplied in Manchuria by the Russians from arsenals and from captured Japanese guns and ammunition. We were practically certain that was going on, and of course in our white paper reported from our diplomatic representatives in Moscow that it was going on.

Senator FERGUSON. So we knew that the Communists were getting arms and ammunition and also it was our policy, we put it into effect, to put an embargo on the Nationalists?

Mr. COOKE. That is right.

Senator FERGUSON. And General Marshall had told you that of course that amounted to the disarming of the Nationalists?

Mr. COOKE. Yes.

Senator FERGUSON. There was no doubt about that, either?

Mr. COOKE. I must interject there; whether General Marshall considered the Russian and Japanese arms were going to the Communists I don't know.

Senator FERGUSON. But you said our Government knew it.

Mr. COOKE. Our Government knew it because I have now read it since then in the white paper that it was reported to them; yes.

Senator FERGUSON. But the part that General Marshall told you was that it amounted to a disarming of the Nationalists?

Mr. COOKE. That is right.

Senator FERGUSON. In your opinion, is that correct?

Mr. COOKE. Largely so; yes.

Senator FERGUSON. If a man has a rifle and he has no ammunition for it, and you have the ammunition, you are disarming him, are you not?

Mr. COOKE. You can't make it quite that. Of course, they had ammunition on hand. It was gradually getting very scarce, and eventually to a point almost of desperation, but not immediately.

Senator FERGUSON. So in effect in the end it disarmed them; is that it, or what are the facts?

Mr. COOKE. Disarmament as far as our guns were concerned. They had guns of their own manufacture they had been fighting the Japs with, and they had their arsenals. They were still using their own guns and their own ammunition, but the divisions that were equipped with American guns were, as long as they used those guns, in effect gradually disarmed.

Senator FERGUSON. How many divisions were armed with American weapons?

Mr. COOKE. I can't answer that. The program was never completed, and just what the actual number was I don't know.

Senator WATKINS. Did you say a moment ago that there were thirty-odd divisions?

Mr. COOKE. That was the program.

Mr. MORRIS. Was that Wedemeyer's program?

Mr. COOKE. It was formulated during his command, and he was acting chief of staff to Chiang Kai-shek.

Mr. MORRIS. Now, that program and that mission which was headed by General Wedemeyer had the assignment of arming 39 Chinese divisions?

Mr. COOKE. I remember it was thirty-odd. It could be 39; yes.

Mr. MORRIS. Did that include any Chinese Communist divisions?

Mr. COOKE. Not at that time.

Mr. MORRIS. So that was the policy in China when you arrived there; is that right, Admiral Cooke?

Mr. COOKE. That is right.

Mr. MORRIS. Subsequent to that time the Marshall mission arrived in China?

Mr. COOKE. No; the Marshall mission arrived there before I did.

Mr. MORRIS. Subsequent to General Wedemeyer's mission?

Mr. COOKE. Well, General Wedemeyer was still there. There is an overlap there. General Wedemeyer was still there. He was in command of our ground forces up until about April 1946.

Mr. MORRIS. Will you explain the transition between the prevailing policy of General Wedemeyer and the subsequent prevailing policy of General Marshall?

Mr. COOKE. Well, after General Marshall's arrival there in December 1945 it is my opinion that General Wedemeyer was working to support General Marshall's mission exactly the way he wanted it supported. Now we actually moved troops, my ships moved troops about, we had to take Japanese back to the mainland, and we moved Chinese troops to receive the surrender of Japanese troops, and we also moved some Chinese troops to Manchuria.

Senator FERGUSON. Chinese Nationalist troops?

Mr. COOKE. Yes, sir.

Mr. MORRIS. When did the plan first arise to bring about a coalition between the Chinese Nationalist armies and the Chinese Communist armies? How did that develop, Admiral Cooke?

Mr. COOKE. I can't speak positively of that. My impression is that that developed about January 1946.

Mr. MORRIS. You were in China at that time, were you not?

Mr. COOKE. Yes; but I didn't have anything necessarily directly to do with that.

Mr. MORRIS. But you did know that the plan was going on?

Mr. COOKE. Yes.

Mr. MORRIS. The thing you are uncertain about is the particular time when it commenced?

Mr. COOKE. That is right.

Mr. MORRIS. Admiral Cooke, will you develop for us how that plan of bringing about a coalition or merger between the Chinese Nationalist armies and the Chinese Communist armies was attempted?

Mr. COOKE. There was an arrangement set up in negotiations between the Communists and the Nationalists and General Marshall to bring in a certain number of Communist divisions into the Chinese Government army. The proportion I am not sure of here, it may have been 1 to 4, 1 to 3, or 1 to 2.

I did know, but I have forgotten the exact figures now. There were United States Army officers stationed around various parts of China, North China, where this would actually be implemented. We had to do a certain amount of supplying them. Just the exact workings of that I can't testify to.

Senator FERGUSON. What instructions did you get from General Marshall on that?



Mr. COOKE. I had nothing to do with that except to support it logistically. It had nothing to do with the Navy at all, so I had nothing to do with that, the actual implementation.

Mr. MORRIS. One of the consequences of that was an embargo, was it not, Admiral Cooke?

Mr. COOKE. Well, that is just a question of opinion. The embargo eventually took place quite a bit later; it had to do not necessarily with just the armies, it had to do with the bringing of the two together, as I understood it, and the embargo actually operated as a sort of pressure on the Nationalist Government to conform to the recommendations that had been given them as to what they should do.

I mean that is opinion here now. I didn't sit in the councils to know the answer to that.

Senator FERGUSON. But the embargo took place?

Mr. COOKE. The embargo took place definitely.

Mr. MORRIS. It is not your opinion that the embargo took place?

Mr. COOKE. I know the embargo took place.

Mr. MORRIS. What was the nature of the embargo, Admiral Cooke?

Mr. COOKE. The United States would supply no combat equipment of any kind, including ammunition, and they wouldn't allow the Chinese to buy any in the United States. Eventually I think they bought some spare parts and maybe some transport planes, no combat planes but transport planes like C-47's, and C-46's.

Mr. MORRIS. Will you tell us when this embargo went into effect?

Mr. COOKE. I can't tell you exactly, but it was about the 1st of August, 1946.

Mr. MORRIS. How long did that stay in force?

Mr. COOKE. Until the following May.

Mr. MORRIS. May 1947?

Mr. COOKE. Yes.

Mr. MORRIS. During the time that that was in force was the Chinese Government able to buy any equipment in the United States?

Mr. COOKE. Not so far as I know. I am fairly sure not.

Mr. MORRIS. Did the United States send any equipment to the Chinese Government during that period?

Mr. COOKE. No combat equipment. Let me modify that. That is a question that comes up here about delivery of this obsolete ammunition in Tsingtao in February of 1947, which is an item I can go into if you wish me to do it at this time.

Mr. MORRIS. Yes.

Senator FERGUSON. I would like to know.

Mr. COOKE. Of course, the number of marines in China gradually decreased. They had ammunition there for carrying on combat operations, much more than they needed, and some of it getting old and beyond the standards acceptable to the United States. So, some of this obsolescent ammunition in Tsingtao became due for disposal.

I didn't want to haul it through the town of Tsingtao in order to load it on ships, and the only other way to dispose of it was just dump it somewhere or to blow it up. Blowing up thousands of rounds of ammunition is not a very easy thing.

So when I came back in 1947 to talk to the State Department here and the Navy Department about the number of marines in Tsingtao,

the question also came up about this ammunition, as to whether to dump it or not.

Senator FERGUSON. How much was there of it?

Mr. COOKE. I can't remember, Senator. It was something that is substantial.

Senator FERGUSON. It is a large number?

Mr. COOKE. It is a large number. It wouldn't run the Army a definite period, but it was a substantial amount. It was ground force ammunition.

Senator FERGUSON. Why did you not give it to the Chinese Nationalists that had weapons in which to use it?

Mr. COOKE. I am going into that.

So, then, we had this conference with the State Department, including General Marshall and Mr. Vincent.

Senator FERGUSON. That is John Carter Vincent?

Mr. COOKE. John Carter Vincent.

Senator FERGUSON. What was his position with the State Department at that time, if you know?

Mr. COOKE. He was the Assistant Secretary for Far Eastern Affairs, the same as Mr. Rusk now is.

Senator FERGUSON. You took it up with General Marshall. Was he then Secretary of State?

Mr. COOKE. He was Secretary of State. The Secretary of Navy was there, the Chief of Naval Operations, and General Marshall, Secretary Marshall, and Mr. Vincent.

Senator FERGUSON. Will you tell us about the conversation you had?

Mr. COOKE. Yes. I was of the view that we should take it out there and dump it and the Nationalists come and get it. They were desperately short of ammunition then. I considered it would be good for them to have it. Furthermore, I didn't think it was very practicable to dispose of it in any other way. In the discussion that ensued Mr. Vincent opposed that.

Senator FERGUSON. What did he say?

Mr. COOKE. He just said we ought to figure out a way to destroy it.

Senator FERGUSON. And not give it to the Nationalists?

Mr. COOKE. That is right. General Marshall recognized the problem and said he considered it was a very difficult problem to destroy it, and he approved my recommendation on it, which was carried out.

Senator FERGUSON. That was carried out?

Mr. COOKE. Actually we designated a place there where we were going to take it, and we told them we were going to put it there. We didn't tell them we were going to give it to them, but we were putting it in this place, and they did come and get it, and of course they did use it.

Mr. MORRIS. What was the date of that?

Mr. COOKE. That was in February 1947.

Mr. MORRIS. Where did that conference take place?

Mr. COOKE. In the State Department.

Senator FERGUSON. Did Mr. Vincent assign any reason for not giving it to the Chinese Nationalists in the way you proposed?

Mr. COOKE. He just indicated it was undesirable to do so.



Senator FERGUSON. Did anybody else in the State Department discuss this problem?

Mr. COOKE. I don't recall anybody else at this meeting except Admiral Sherman was there, Admiral Nimitz, Secretary Forrestal, General Marshall, Mr. Vincent, and myself.

Senator FERGUSON. Do I understand then the only opposition really to doing what you did do, allowing the Nationalists to get it, came from Mr. Vincent?

Mr. COOKE. The only one at this conference; yes.

Senator FERGUSON. Who outside of the conference opposed it?

Mr. COOKE. I didn't discuss it any place else myself.

Senator FERGUSON. He was the only person in the conference who opposed it?

Mr. COOKE. That is right.

Mr. MORRIS. During that period of time did you encounter Mr. Butterworth, during that general period of time?

Mr. COOKE. After my return to China I did go down to see Mr. Butterworth, and Ambassador Stuart, regarding their views of our activities in China. I had heard that Mr. Butterworth opposed our having marines in Tsingtao and also opposed our having a Navy in China.

As I had to go ahead carrying out what I was doing, I went down there to talk to him and at that time he agreed that he opposed the marines staying there, which we had an agreement with the State Department about doing. He disavowed that he wanted the Navy to leave China. It had been reported reliably to me that he had opposed our Navy staying out there, so that was the reason I went down there to confer with him about it.

Mr. MORRIS. He thought the marines should get out of China?

Mr. COOKE. Yes. We had a certain number of battalions in Tsingtao to maintain the security of the place. We were carrying on activities there. That is the best port I guess in China, and we were still carrying out training on shore of the Chinese Navy. So we had marines there, and the number we had there was the result of an agreement between the Navy Department and the State Department represented by Secretary Marshall.

Mr. MORRIS. When did Mr. Butterworth have this conversation with you, Admiral Cooke?

Mr. COOKE. In March 1947.

Mr. MORRIS. What position did he hold at that time?

Mr. COOKE. He was the counselor to the Embassy, the Ambassador being Ambassador Stuart.

Senator FERGUSON. You were then in China?

Mr. COOKE. I was in China; yes, sir.

Senator FERGUSON. You remained there how long?

Mr. COOKE. I remained there until the latter part of February 1948.

Senator FERGUSON. In this same mission?

Mr. COOKE. I was in command of the fleet there; yes.

Mr. MORRIS. Were you in charge of all American forces in China at that time?

Mr. COOKE. All combat forces. The Army mission and the Air Force mission in Nanking were not under me, but the Navy mission, such as it was, was essentially under me.

Mr. MORRIS. Now, Admiral Cooke, can you relate to us the nature and the effect of the embargo that we have discussed very briefly here? Can you develop that for us?

Senator SMITH. Could I ask him a question before you go into that?

Mr. MORRIS. By all means.

Senator SMITH. Did you have any information that anyone else in the State Department, whether at the conference or not, other than Mr. Vincent opposed the delivery of or making available of this ammunition to the Chinese Nationalists?

Mr. COOKE. No, sir; I had no information about it, no real information.

Senator FERGUSON. Now, where did this conversation with Mr. Vincent and General Marshall take place?

Mr. COOKE. You mean about the ammunition in Tsingtao?

Senator FERGUSON. Yes.

Mr. COOKE. That was in the State Department here in Washington.

Senator FERGUSON. What was the month of that conversation?

Mr. COOKE. February 1947.

Senator FERGUSON. You had been back then at that time?

Mr. COOKE. I was called back to discuss the number of marines that we would have to have if we stayed in Tsingtao.

Senator FERGUSON. The pending question was now the effect of the embargo that we had put on arms and ammunition to Nationalist China.

Mr. COOKE. While I was here in February there was a very serious defeat imposed upon the Nationalists in Shantung Province.

Senator FERGUSON. When did you take the ammunition out and allow the Nationalists to get their hands on it?

Mr. COOKE. I can't give the exact date, but it was after I returned to China, probably March or April 1947.

Senator FERGUSON. Where was this ammunition?

Mr. COOKE. It was in Tsingtao.

Senator FERGUSON. Why did we not allow them to go there and get it?

Mr. COOKE. We did. We just went out in the country there, about 5 or 10 miles, and dumped it there. They did get it there.

Senator FERGUSON. Why did we not let them get it where it was stationed? Why did we spend the money removing it to a place 8 or 10 miles away? Was it because we had an embargo on and we wanted to technically violate the embargo?

Mr. COOKE. I think that was undoubtedly considered. Actually, I would have preferred them not to come into our magazines, anyhow. I would have done it that way whatever the policy was, as far as my handling of the situation.

Senator FERGUSON. You felt they should not have come into the magazines?

Mr. COOKE. That is right. We wouldn't have wanted them to do that. The way we did it I consider was the correct way to do it.

Senator FERGUSON. But was that not a technical violation of the embargo?

Mr. COOKE. I don't think so. We had a right to take our obsolescent ammunition further away from Tsingtao and dump it somewhere, where it could blow up if it wanted to blow up.

Senator WATKINS. Was it not somewhat of a subterfuge?



Mr. COOKE. It may have been.

Senator WATKINS. You knew where it was going when you put it out there?

Mr. COOKE. That is right. I called in the Chinese general and told him I was going to put it there. Of course, I was going to put it in Chinese Nationalist territory that belonged to them, and it was proper for me to inform them I was doing it.

Senator FERGUSON. How far was the Chinese Army from there?

Mr. COOKE. They had army units right in Tsingtao.

Senator FERGUSON. So they could go and get it very easily?

Mr. COOKE. Yes; there was a lot of fighting going on in Shantung Province, of which Tsingtao was the port.

Senator SMITH. How long did it take them to get it?

Mr. COOKE. It didn't take them very long. I think it took us 2 or 3 days to dump it, and they got it about as fast as we dumped it.

Mr. MORRIS. Admiral Cooke, with respect to the equipment and the guns that we had supplied them by the Wedemeyer mission, was the Chinese Army hampered in the use of that equipment because of the subsequent embargo?

Mr. COOKE. I was just going into that.

While I was there in February the Nationalists suffered a very serious defeat in the western part of Shantung Province, of which Tsingtao is the port, and they lost about seven divisions. It was reported to me—of course, I was not there—that a number of divisions were the best divisions equipped with our guns and a very serious shortage of ammunition. That was in February 1947.

Now, it is my view that part of that debacle was caused by inept Nationalist leadership, but the loss of as many divisions, I was informed by a number of people whom I can't recall now, was also due to that.

Senator FERGUSON. Lack of ammunition?

Mr. COOKE. Yes, sir.

Now, regarding the effect later on of their defeat in Manchuria and so on, which took place after I left, before the ammunition you appropriated for in 1948 had gotten out there, I can't say.

Now, I could tell you, of course, there had been subsequent withholding of ammunition; for instance, in 1949 and after they moved on to Formosa.

Senator SMITH. Is it your feeling, Admiral Cooke, that if there had been ample ammunition, to be used in the guns that we had furnished them, the Nationalists would have been able to stand their ground?

Mr. COOKE. Senator, that is a very complicated question, and I can answer it; but, if I answer that it was due entirely to ammunition, that would be wrong. It would not be true; not in my view. If you wish me to answer it more, I can.

Senator SMITH. Yes.

Mr. COOKE. The Nationalist defeat was due to so many things. One of them was due to the fact that when they about had the Communists licked, a truce took place one way or the other because the Commies would say, "Well, we are going to play ball now."

Senator FERGUSON. When did that take place?

Mr. COOKE. That took place several times in 1946.

Mr. MORRIS. Who brought about that truce?

Mr. COOKE. In 1947, too.

It was the result of our policy there to negotiate to get successful negotiations between the Communists and the Nationalists.

Senator FERGUSON. Were we then in China with the policy of getting them together?

Mr. COOKE. Yes, sir.

Senator FERGUSON. Was the truce called for the purpose of getting them together?

Mr. COOKE. It was the result of that.

To answer the Senator's question, it was also caused, in my view, by very inept leadership on the part of the Nationalists. There is no question about that.

Now, it has been my opinion—and it has been repeated by Admiral Badger to me, who was my successor, and by General Wedemeyer—that, if we had given them technical advice and the ammunition, these things would not have happened; but we don't make it exclusive on ammunition.

I wanted to answer your question so you would get the correct answer.

Senator SMITH. You said something that prompts this question. It was about the time that the Nationalists had the Communists whipped; that then the Communists started this series of seeking truces.

Mr. COOKE. That is right; that happened two or three times.

Senator SMITH. That is one of the tricks or policies of the Communist leadership, would you say?

Mr. COOKE. Yes.

Senator SMITH. Even in Korea, or do you not want to go that far?

Mr. COOKE. I go that far. I think it not only pertains to Korea and China; it does everywhere.

Senator FERGUSON. It enables them to build up.

Mr. COOKE. Let me say this, Senator. When the war was over, there were no Communists in Manchuria. The Japanese were there, and they didn't allow Communists around. Now, the Russians, of course, had come into Manchuria. The Nationalists were faced with a very serious dilemma. If they didn't go into Manchuria, they allowed the Communists to go there and get possession of all the arsenals, all the contacts with Russia, all the ammunition and guns and so on.

If they did go into Manchuria, instead of trying to take north China, they always had a chance of being defeated by the fact that the Communists would be armed more rapidly.

Now, there was considerable dispute as to whether it was strategically wise to go into Manchuria or not. It was my view, with what happened, it would have been disastrous either way, considering no ammunition and no technical advice and so on. If they had gotten into Manchuria without a truce so the Communists couldn't get in themselves and rearm, then I think the Communists would have lost.

Senator SMITH. In other words, you think if we had supported the Nationalists to that point we might have prevented what took place in Manchuria?

Mr. COOKE. Definitely.

Senator SMITH. With some leadership and ammunition and supplies?

Mr. COOKE. And no truces.

Senator FERGUSON. What about embargoes?



Mr. COOKE. The embargo came into it later, but that, too.

Senator FERGUSON. Who was responsible for the embargo? Who in the United States put it into effect?

Mr. COOKE. I don't know, sir. I don't know the answer.

Senator FERGUSON. Who told you about it?

Mr. COOKE. It was all known out there in implementing, but General Marshall and the people out there told me about it. Who initiated it, I don't know.

Senator FERGUSON. At least you got your word about it from General Marshall?

Mr. COOKE. That is right.

Senator FERGUSON. That we were not going to furnish them any more?

Mr. COOKE. We got into the question of the deficiency of ammunition which extended on to a later date. In 1948 the Congress passed a law giving them \$125,000,000 for military supplies which arrived there rather late in December 1948.

Senator FERGUSON. Will you tell us about that delay in giving them that ammunition?

Mr. COOKE. I can't testify first-hand because I retired in the meantime. I just followed it in the press. I know that a delay occurred. Badger told me about it in detail. But I assume you would rather get it from him directly.

Senator FERGUSON. But he told you there was a delay in the delivery of \$125,000,000?

Mr. COOKE. Yes. He spoke of the fact that the guns that got up to Fu Tso-yi, who was in command in north China, not only got up there very late but got up there without the bolts; so, when they got it, it wasn't ready to use, and they had to surrender. That was, of course, about 8 or 10 months after I left. I am just repeating second-hand information on that.

Mr. MORRIS. Did Admiral Badger tell you who caused the delay?

Mr. COOKE. No; he didn't know. But I became very much concerned about Communist China being recognized and Formosa falling.

Senator FERGUSON. When was that?

Mr. COOKE. After the People's Republic was declared and the Russians recognized it in October 1949. I came here, was in the East about 2 months.

Senator FERGUSON. Did you talk to anybody here about your fear of recognition of Red China and the fall of Formosa?

Mr. COOKE. I talked to everybody. I was on Town Hall on the subject, and I made lots of speeches on it, on that definite subject.

Senator FERGUSON. Were you in the service then?

Mr. COOKE. No.

Senator FERGUSON. Did you talk to anybody in the State Department about it? Did you go see anybody?

Mr. COOKE. No. I talked to them about the situation in June before that.

Senator FERGUSON. With whom did you talk?

Mr. COOKE. I talked to Mr. George Kennan and to Mr. Rusk and to Mr. John Davies.

Senator FERGUSON. What about it?

Mr. COOKE. I did practically all the talking.

Senator FERGUSON. What were you trying to convince them on?

Mr. COOKE. I was trying to convince them about the importance of not allowing the Communists to take over China.

Senator FERGUSON. And what about recognition?

Mr. COOKE. The People's Republic had not been established at that time. The recognition question had not come up.

Senator FERGUSON. Did you ever talk about recognition with anybody in the State Department or the fall of Formosa in 1949?

Mr. COOKE. No.

Mr. MORRIS. Did you have any conversations with Philip Jessup on this score?

Mr. COOKE. Yes.

Senator FERGUSON. Was he with the State Department?

Mr. COOKE. No. I can tell you about my conversation with him.

Senator FERGUSON. Was he with the State Department?

Mr. COOKE. He was going out on this mission to the Bangkok Conference.

Senator FERGUSON. Was he connected with the State Department?

Mr. COOKE. He was being sent out there by the State Department on this mission. On his connection with the State Department, of course he was connected, represented the United States in the United Nations. I knew those two things.

Senator FERGUSON. You misunderstood then. You thought he was a representative to the United Nations?

Mr. COOKE. That is right.

Senator SMITH. What time is that?

Mr. COOKE. That was in November 1949.

Senator FERGUSON. About what did you talk?

Mr. COOKE. I had understood the result of the ECA mission out there, headed by Mr. Lapham and Mr. Griffin, that the view was expressed that the way to save Indochina was economic help and teaching them democratic ideology. I had heard that Mr. Jessup was going out there. It was published he was going out there. I expressed the view to a friend of mine that I would like to talk to him about it.

So he got in touch with Mr. Jessup, who sent word to me—I was in Washington, and he was in New York at the time—he would welcome my coming up to talk to him about it.

I proceeded up there and got there on Sunday, November 28, I think, of 1949 and talked to Mr. Jessup about an hour and a half, setting forth my own background and what I considered to be the interest and the objectives of the United States, or what they should be, and I expressed to him that I considered that giving economic help to Indochina would not save the situation, we would certainly lose if that was restricted to that. But, further, we would have to give some help in opposing communism in China itself.

He contributed very little to the conversation, but he did then say rather emphatically, asked me whether I advocated working with and assisting the Chiang Kai-shek government. I told him that I considered that if the interest of the United States was served by giving him support, we ought to do that; if by giving him no support, we ought to do that, whatever was the interest of the United States.

It was my view to accomplish the objective we had to assist. So the only two things that I can relate about my conversation with Mr.



Jessup, who listened to me very attentively, is that he did indicate very positively that he was not in favor of any working with or assisting the Chiang Kai-shek government.

Senator FERGUSON. That was the 29th of November?

Mr. COOKE. The 28th or 29th.

Senator FERGUSON. Did you know that about the 26th of October our Government sent to the Nationalist Government a message that we were not going to furnish any more munitions and aid to the Nationalist Government as far as Formosa was concerned?

Mr. COOKE. I didn't know of any definitive action. I knew that was the policy indicated around the Defense Department.

Senator FERGUSON. But you do not know of that message?

Mr. COOKE. I know nothing of that message except what I have read in your own hearings.

Senator FERGUSON. But you do know now and you say definitely that Mr. Jessup opposed cooperation or aid to the Nationalist Government on November 29, 1949?

Mr. COOKE. Yes. He left no doubt in my mind.

Senator FERGUSON. That was his conversation?

Mr. COOKE. That is right.

Mr. MORRIS. Did you express to him an intention on your part to help the Chinese Nationalists at that time?

Mr. COOKE. No; I didn't have any concrete scheme of doing anything at that time.

Mr. MORRIS. Was he surprised that you had taken the position you did?

Mr. COOKE. Well, I was, you might say, disappointed because I told him, "If you go out there, you are not helping the Chinese against the Communists, and we are not going to give any military help to Indochina, it is my view," as expressed to him, "you will be sitting on an ineffectual down there."

Senator SMITH. That is what we all are.

Senator FERGUSON. Rather than on a victory?

Mr. COOKE. That is right.

Senator SMITH. Now did Mr. Jessup agree with you on that policy you had mentioned as being for the benefit of the United States? Did he agree on any policy?

Mr. COOKE. On the over-all thing I set forth the view that the United States must oppose communism everywhere, and I expressed the view that the key place in east Asia was China. Now he agreed in the over-all policy, but in the way to implement it he did not express himself. He was not called on to do so because I was just a private individual, and he was an official, and I set forth my views. He did not have to express himself to me, naturally. Neither did I call on him to do so. He didn't say one way or the other.

Senator FERGUSON. He did tell you he did not think we should aid the Nationalist Government?

Mr. COOKE. That is right.

Senator SMITH. Was not the Nationalist Government the only impediment to the Chinese Communists at that time, for whatever it might have been worth?

Mr. COOKE. That is right, and in my opinion it was a very important one.

Senator FERGUSON. You had been there and you knew the Nationalist Government, you knew the Communist government?

Mr. COOKE. That is right.

Senator FERGUSON. You represented the United States there as a naval officer?

Mr. COOKE. Up to February 1948.

Mr. MORRIS. Admiral Cooke, are you acquainted with the military set-up that existed in Hainan prior to its fall?

Mr. COOKE. I will be glad to tell you any of these things. It will take a little time. The Nationalist troops coming out of south China, quite a number of them, got into Hainan. There were quite a number of Communists there also. It was quite a burden with the Nationalists to hold on to the island, both economically and militarily. There had been advocacy of giving it up. It wasn't important to the defense of Formosa, but it was important to the defense of Indochina.

So the question came up of how much they could allot down there to their naval forces, their air forces, possibly their ground forces, to hold the island. Their view was that they couldn't augment them at all.

Now it was my view—I was down there—that with a few additional air and naval forces they could hold it. The Communists invaded it about 11 times and finally invaded it in considerable force about the middle of April 1950, and eventually captured it.

It was my view that if they had had one or two more ships there, and 3-inch ammunition, which they were critically short of at the time, they would probably have been able to hold the island.

Did I speak about these frigates that the Russians had returned?

Mr. MORRIS. In executive session.

Mr. COOKE. I was concerned here about what was going on. I was here in Washington. I found that the Russians had returned 27 frigates, lend-lease ships, to Tokyo. I asked the naval people in authority what the Navy was going to do with these frigates, and they said, "We are going to scrap them," that the Navy had no use for them.

I said in my view it would be very good to give some of these ships, 8 to possibly 12, to the Chinese Nationalists to hold on to Formosa, knowing that was not in accordance with policy, but they were available.

Senator FERGUSON. With whom were you talking?

Mr. COOKE. I was talking to officers in Naval Operations that handled that kind of thing.

Then later I got the International News Service to send me out there. I wanted to see what was going on and see what I could do to help. I went to Tokyo. These ships were there. I went down to inspect them to see about their suitability, the same as DE's that we had given them.

Now Congress had passed a law to give them up to 271 ships, and we had given them 138, including mostly boats, ships and boats. So that there was permissive legislation which would allow passing these on to the Nationalists if we wanted to do so.

When I was down there looking at these ships in Yokosuka they were unloading the 3-inch ammunition, 20 millimeter and 40 millimeter, and I told them I had recommended to the Navy Department that consideration be given to the United States Government to pass



these ships to China. They said they were sorry, that it wasn't done, that they were burdened with handling this ammunition, which was below standard. It had not been cared for very well by the Russians.

So I went on down to Formosa. I found that there was a critical shortage of 3-inch ammunition. That was the most critical shortage they had at that time. That was about February or March 1950.

Then they commissioned the United States firm with whom I later became associated to see if they could find some surplus 3-inch ammunition for them somewhere. I suggested they might be able to get this 3-inch ammunition that was being taken off these frigates. That was made in March.

That went on for several months, and eventually after the Korean war started the ammunition was released, first by the Navy Department and later by the State Department, and they did purchase this ammunition.

Senator FERGUSON. What month?

Mr. COOKE. July 1950.

Senator FERGUSON. After Korea?

Mr. COOKE. Yes.

Senator FERGUSON. They got most of the ammunition?

Mr. COOKE. Some was held there by the United States Government in case they would run short in Japan, but eventually most of that was released. They had wanted to get 20,000 rounds of ammunition. They eventually got about 21,000.

Mr. MORRIS. Was July 1950 the date of transfer or the date of negotiation?

Mr. COOKE. That was the date of the completed negotiations, and I think the transfer took place about that time.

Mr. MORRIS. When had negotiations commenced?

Mr. COOKE. I didn't participate. I think they probably started in April. When I first mentioned it I thought they would be available in March 1950.

Mr. MORRIS. Admiral Cooke, are you acquainted with what has been termed a blockade that the Nationalist Government imposed on China's coast?

Mr. COOKE. I am.

Mr. MORRIS. Was that properly a blockade?

Mr. COOKE. No; it was not. The Nationalist Government, a little bit before they left Canton, and of course subsequently after, in Formosa, closed their own ports. I mean they just closed their ports, otherwise not international waters but territorial waters, and they had of course closed ports even when I was out there in command. They closed the port of Tsingtao a couple of times. They closed ports like the port of Shanghai and the port of Canton, and so forth.

Mr. MORRIS. Were those ports occupied by the Communists?

Mr. COOKE. The ports themselves were, but these entrances, the Nationalists had their own ships where they exercised their sovereignty in closing the port.

Mr. MORRIS. So rather than being a blockade on the part of the Nationalist Government, you would term it a closing of their own ports?

Mr. COOKE. That is right.

Mr. MORRIS. You considered those their own ports because they still had territorial jurisdiction?

Mr. COOKE. They had recognized sovereignty. For instance, if we could put ships in close enough to Charleston during the Civil War in territorial waters, it would be a closure of the port. If we exercised the blockade, it would be on international waters that nobody could approach the port even on international waters, which is a recognized international procedure.

This was not a blockade. They did not declare it a blockade.

Mr. MORRIS. That term "blockade" has been used in the press.

Mr. COOKE. That is right, and it is not correct.

Let me say this, that they could have declared a blockade. It would have been internationally correct under the terms of international law to do so, but they did not do so.

Mr. MORRIS. Admiral Cooke, I wonder if you would on the basis of your experience as a military man define the importance of Formosa, first of all to our national security.

Mr. COOKE. As I said earlier, I was the chief strategic adviser to the Navy during the war and we set at that time a project for the capture of Formosa, and at one time we were going to bypass the Philippines and take Formosa and just cut the Philippines off. Later we found we could go into the Philippines a little sooner than we could in Formosa, and we changed our policy.

Instead of doing that, we did the Philippines and then Okinawa. So that brought me, of course, in touch with the strategic aspect of Formosa. Now I consider that Formosa is extremely valuable and necessary to our position in the western Pacific if there is a hostile power going to be on the mainland, both in a negative sense and a positive sense.

In other words, in a negative sense we don't want the enemy to have it so as to cut our communications and project their air and submarine strength out eastward; and in a positive sense in that it is the focus of all of those in eastern Asia, particularly in China, who are resisting communism, which I consider our objective.

Mr. MORRIS. You say focus?

Mr. COOKE. It constitutes the sort of hope and spark plug and focus of all the latent and active opposition to communism in eastern Asia, particularly China. So that it serves to give them hope. They are gradually being forced into a hopeless situation, as you know. But it serves to keep their hopes alive and some possibility of getting free of Russian communism.

So I consider it is important in a positive assertion of United States policy vis-à-vis communism in eastern Asia, more important that way than it is in the negative sense, and I think the Communists so regard it.

Mr. MORRIS. Now have you had any opportunity to observe the government administration on the island of Formosa at present?

Mr. COOKE. Yes.

Mr. MORRIS. Will you tell us briefly something about that, Admiral Cooke?

Mr. COOKE. I might go back and say one concern in my going out there was that reports were coming out that it was about to fall, collapse. As a matter of fact, our American citizens were ordered out twice, once before I went and once after I was there. They weren't exactly ordered, but they were warned to leave because of collapse internally and maybe externally also.



I didn't find any such situation existed at any time that I have been out there, for 20 months. The government is much better than any I ever saw on the mainland of China. The people support the government. There is order there. There is very little stealing. There is very little begging. There is an increasing appreciation on the part of the Taiwanese of their position in this over-all picture.

As you probably recall, Formosa was surrendered to the Japanese in 1895, and during the Japanese tenure they improved the island very much, increased the population, increased the production, but they did not allow the Taiwanese to have any of the positions in the government or managerial positions in the industrial picture. Now they do have. The Taiwanese were not suited for it, but they were being brought more and more into it in all the provincial governments and the city governments and so forth.

So that I have not myself—and I have been around the island many times—observed any indication of subversive or revolutionary tendency in opposition to the Nationalist government.

Mr. MORRIS. Admiral Cooke, what are the objectives of the United States mission in Formosa? Do the security regulations permit you to discuss those?

Mr. COOKE. They have been published by the mission and also by the United States Government. They are sent out there to assist the Chinese in maintaining internal security and external security of the island of Formosa.

Mr. MORRIS. Can you discuss the extent to which that is being implemented?

Mr. COOKE. Perhaps it would be best for me not to go into that too much. It might be considered a security thing from the military point of view. That objective is the objective of the group that is out there. That completes the answer.

Mr. MORRIS. In your opinion is it adequate, Admiral Cooke?

Mr. COOKE. No. I consider that if the Communists consolidate their position—really, finally consolidate their position on the mainland—then eventually they will take southeast Asia.

Mr. MORRIS. If the Chinese Communists consolidate on the mainland?

Mr. COOKE. Finally consolidate so there is no hope, then they will consolidate their position in southeast Asia, considering there is no debacle in the Communists behind the iron curtain. If they do that, eventually Formosa will have to be surrendered to the Communists.

Mr. MORRIS. Why is that, Admiral Cooke?

Mr. COOKE. Because I just can't see it sitting out there like that indefinitely.

So that if we obtain security now, it is always going to be the Chinese population, the Taiwanese or Chinese. The Fulinese come from an adjacent province across the strait.

I cannot see Formosa being by itself indefinitely. It will fall. I feel that. Then I think there will be a tendency also for Japan, maybe Japan first and Formosa second. So I feel in accomplishing our interest a restricted objective of that kind is incorrect.

Now it has this further effect. When you have a fairly large military establishment neutralized, completely stagnated, then their spirit gradually must go down; it makes no difference what they do to try to whip it up. If we don't allow Chinese troops in Korea and we have this very restricted objective in Formosa, then more and more

the defense tends to fall on us because they gradually sit back there, and they have nothing to do. So I think we should go much further. If we are sending supplies with high priority to Korea, which we should, and sending supplies with high priority to Indochina, which I think we should, then the question comes up, What are we doing with these supplies that are going to Formosa to accomplish the over-all objective, when the strength that Korea rests on, that Indochina rests on, is the mainland of China?

In other words, by these supplies and technical ability we more or less neutralize our own forces there instead of its being injected in the over-all picture.

Mr. MORRIS. Have the Communists been able to use Hainan?

Mr. COOKE. Yes. Hainan is reported to be occupied by quite a lot of Russian advisers and by the Communists, and they are reported even to have a submarine base in Yulin, which is at the southern base of Hainan. Of course, it is a base—if they carry out an over-all movement into Indochina, then it is a natural base to support that movement on the sea side.

Mr. MORRIS. Have the Communists used that as a base against the Indochinese?

Mr. COOKE. There has been some report of it. I can't vouch for it because the adjacent coast at the time is largely controlled by the French, and the Chinese Communists do not have too much of a Navy. Now, whether it is going to be built up, and how fast it is going to be built up, and the use of Hainan as a base for that, I don't know. They use it for junks moving in there from that island and adjacent islands, from Hainan into Indochina.

Mr. MORRIS. If Hainan were in our hands now would it aid us in our resistance to the Communists in Indochina?

Mr. COOKE. Definitely.

Mr. MORRIS. Do you think it could have been saved?

Mr. COOKE. I think it could. I don't think the Nationalist Government could very well afford to devote very much military effort as long as Formosa itself was in a certain degree of jeopardy.

Mr. MORRIS. Could it have been protected by the Chinese navy?

Mr. COOKE. If they had had enough to distribute around.

Mr. MORRIS. Do you have any evidence that the Chinese Communists had been using our proximity fuzes?

Mr. COOKE. Yes. When the final attack took place on Hainan, the few Chinese ships that were there were pretty badly shot up, and some of their planes were hit. They didn't have many planes there, nor many ships. I inspected these ships that were shot and questioned them about the nature of the explosions that had taken place, and it led to a conviction in my mind that they were using on the Luichow Peninsula, which is right across the strait from Hainan, influence fuzes or proximity fuzes which we used, and carried very secretly during the war.

I reported that fact to our attachés so that it would come to the United States that it was my conviction.

Mr. MORRIS. Admiral Cooke, have you been in touch with T. A. Bisson, of the Institute of Pacific Relations, at any time?

Senator SMITH. Before you ask that question; Admiral, you are familiar with some of the statements made with respect to our policy toward Formosa and Korea, including the announcement made in



January of 1950 that Formosa and Korea were beyond our defense perimeter?

Mr. COOKE. Yes.

Senator SMITH. Do you subscribe to that theory?

Mr. COOKE. No, sir. I may say that I took occasion to say to our people in the Navy Department that I considered it to be utterly wrong. I happened to be here at that time. I came East here because that happened.

Senator SMITH. Do you still regard it that way?

Mr. COOKE. Yes, sir.

Senator SMITH. Now before that policy was announced, I believe in January 1950, had there been any movement in North Korea, so far as you know, to go down into South Korea with the Communists?

Mr. COOKE. Senator, I don't believe I know enough about that firsthand to testify about that.

Mr. MORRIS. Admiral Cooke, have you ever encountered Mr. T. A. Bisson, who has been active in the Institute of Pacific Relations?

Mr. COOKE. Only briefly. In December 1949 there was a meeting of the World Affairs Council of Northern California, of which I had become a member. I was invited to attend this seminar, you might call it, composed mostly of members of World Affairs Council of Northern California and others that were invited in, and among those that appeared there, the first time I had seen him, was Mr. Bisson, who participated in this conference, which lasted a few days.

Mr. MORRIS. Did he express himself on these problems we are discussing today?

Mr. COOKE. He and nearly 90 percent of the membership there were in favor of recognizing Communist China.

Mr. MORRIS. Did he express himself along those lines?

Mr. COOKE. Yes, he expressed himself. He left no doubt in my mind how he stood on it.

Mr. MORRIS. How about Eugene Staley, also in the Institute of Pacific Relations?

Mr. COOKE. Yes; the same thing.

Mr. MORRIS. He expressed himself?

Mr. COOKE. Yes. I didn't hear him directly. It was reported to me. He didn't speak in the plenary session.

Mr. MORRIS. Now, Admiral Cooke, did you ever encounter Raymond Ludden in China?

Mr. COOKE. Yes, he was a member of the Embassy, I don't remember just what section, in Nanking, and I was present at one or two meetings that he was present at, including the one that General Wedemeyer held when he came out there with this mission. I did make those contacts with him.

Mr. MORRIS. Mr. Chairman, Admiral Cooke arrived here last night. We did not have an extended executive session. We have covered these points. I wonder if you would allow us to have another executive session and decide whether or not we want to go on this afternoon?

Senator SMITH. What time this afternoon?

Mr. MORRIS. I think we will know by 2 o'clock whether we will have another session this afternoon. You can set it for any time you like.

Senator SMITH. Make it 2:30 or 3 o'clock because some of us have to be on the floor. Shall we say 3 o'clock?

Mr. MORRIS. Very good, sir. I think we will be able to decide by 2 o'clock whether we shall have another session.



(Whereupon, at 12:30 p. m., the committee recessed, to reconvene at 3 p. m. of the same day.)

## AFTERNOON SESSION

Senator WATKINS. The committee will resume.

Mr. MORRIS. Mr. Chairman, we would like to put in the record two routine letters, one dated October 11, 1951, addressed to Hon. Pat McCarran and signed by Ernest G. Osborne, president of the China Aid Council, Inc.

Senator WATKINS. Does this have an exhibit number?

Mr. MORRIS. This is a supplement to an exhibit already in evidence.

Senator WATKINS. It may be received.

(The document referred to was marked "Exhibit No. 347" and is as follows:)

## EXHIBIT No. 347

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*Exhibit 347 - per hearing - 10/19/51*  
China Aid Council, Inc. = Includes

AMERICAN COMMITTEE FOR CHINESE WAR ORPHANS AND CHINA CHILD WELFARE  
1790 Broadway • Room 601 • New York 19, N. Y. • Circle 5-4100

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MILDRED PRICE  
Executive Director

October 11, 1951

The Hon. Patrick McCarran  
United States Senate  
Washington, D. C.

Dear Senator McCarran:

I understand that in your absence yesterday at the hearings of your Committee the letter addressed to you by me was discussed.

One of the points made was that certain members listed on the Board of Directors are reputed to have communist connections.

For the sake of the record I should probably have indicated which of the directors withdrew when the majority refused to let CAC expenditures be used exclusively for Mme. Sun Yat-sen's China Welfare Fund.

The following are those who did withdraw from the Board:

Dr. Arthur W. Chung  
Israel Epstein  
Stephen H. Fritchman  
Talitha Gerlach  
Dr. Roger A. Lewis

Very truly yours,

*Ernest Osborne*  
Ernest G. Osborne  
President

EGO:k1



Mr. MORRIS. And also I should like to present as an exhibit a letter dated June 11, 1938, signed by Anna H. Rubio of the China Aid Council and addressed to Miss Jane Swanhauser.

Senator WATKINS. This will be received. Make it a consecutive number.

(The document referred to was marked "Exhibit No. 348" and is as follows:)

EXHIBIT No. 348

## CHINA AID COUNCIL

AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

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Chu Tong  
Rabbi Stephen S. Wise  
Dr. Max Yergen

Champaign-Urbana Branch  
June, 11, 1938

Miss Jane Swanhauser,  
Chicago, Ill.  
Dear Miss Swanhauser:

Since you give us the choice of day for Dr. Su I will ask for Friday June 24 or Sat. June 25 I still leave it to you to decide which of these two days since I feel it is possible some other branch may have spoken already for one of these two dates I name. Kindly write at once which date I may count upon and send me first of all any particulars about Dr. Su that I may use in publicity. Also tell me if this trip is to raise money for I must pay \$15 flat if I use a University Hall and make any sort of collection. We have little hope of raising much here as the Bowl of Rice drive is now on but we feel that if Dr. Su can speak to the 3000 students of the summer school who come many of them from country regions they will carry the idea of boycott etc. back to their homes and spread the idea. I am sure you will consider even this worth while. I shall not be able to do any advertising until I hear from you so please write as soon as possible

Sincerely, Anna H. Rubio 206 E. Springfield Ave. Champaign, Ill.

Mr. MORRIS. Admiral Cooke, you testified this morning in connection with your experiences in the Far East and in connection with many of your views that you have made known. Now have you gone on record in the past as having expressed yourself on the particular subjects you testified to today?

Mr. COOKE. Yes, I have, on a great many occasions. I might mention there is one rather important occasion perhaps, which was when I came to the United States to discuss the question of Marines in Tsingtao, and I conferred with the President. Admiral Leahy was present.

I expressed the view to the President that we did need a mission there, including an operational mission, that it had to be guided by a definite policy of the United States, and in order to set that up I recommended that a very high powered mission with sufficient prestige be sent out to China, including political representatives, economic representatives, and particularly military representatives in order to recommend to the United States Government the policy that should be followed.

After my meeting with the President, the Secretary of the Navy asked me about my conference, and I set forth what I had recommended about the mission, and he directed me to give him a memorandum in detail of what should be done, and how it should be done, which I did. This was in February of 1947.

Whether that influenced the sending of the Wedemeyer mission out there later, of course I don't know except that it did come. It wasn't quite as big a mission as I had hoped for, nor was it allowed to stay there as long as it was required.

However, I was directed to appear before it as the military commander of our United States forces in the area, which I did, and during that meeting with this Wedemeyer mission I gave them about 10 pages of notes setting forth my view of the situation in China and what needed to be done.

I amplified that, of course, in talking to them. I drew them a map. I sketched on a regular map of China what would happen if we did not take definite action at that time. I have those with me. That was in July 1947.

Mr. MORRIS. Admiral Cooke, will you leave that with the committee so that we can have a copy for our record?

Mr. COOKE. Yes.

Mr. MORRIS. We will make a copy and return the original to you.

Mr. COOKE. I don't know whether the Senator would like to see the map or not.

Senator WATKINS. I think I would.

Mr. COOKE. I used this in amplifying the presentation, and of course the remarks illustrate it, but I hatched in what had happened and what was going to happen at that time, not later. I hatched in this area here down through here. This has to do with eastern Siberia and this with China, and I put blue marks around what would be in the hands of the United States. I left out Formosa, either hatching or blue marks, because I was uncertain what would probably happen.

Now, of course, since then this has taken place. These are the remarks that go with it, that were prepared at that time.

Mr. MORRIS. These are your own notes?

Mr. COOKE. These are my own notes.

Mr. MORRIS. So there is no question of classification involved?

Mr. COOKE. No. Of course, it was secret at the time, but since then the Wedemeyer report has been published and insofar as this may have affected their conclusions, of course I don't know, but that is what was given them in conjunction with amplifying remarks.



Mr. MORRIS. Mr. Chairman, may that go in the record?

Senator WATKINS. That may be made a part of the record. Do you wish to take the map with you or do you want to leave it with us?

Mr. COOKE. If it is useful to the committee, I will be glad to leave it.

Senator WATKINS. We can file it as an exhibit, of course, without attempting to have it in the record actually. It is subject to withdrawal if you wish to withdraw it.

Mr. MORRIS. I think we can file it and make it a part of our appendix.

Senator WATKINS. That will be all right.

Mr. MORRIS. There is nothing involved in security here?

Mr. COOKE. No.

(The documents referred to were marked as "Exhibits 349-A and 349-B." Exhibit No. 349-A the map referred to is by reference and is in the committee's files. Exhibit No. 349-B is as follows:)

#### EXHIBIT No. 349-B

#### NOTES FROM ADMIRAL COOKE FOR FACT FINDING COMMISSION ON CHINA, HEADED BY LT. GEN. A. G. WEDEMAYER

The establishment of facts and factors pertaining to the situation in China appears to be not too difficult. But the determination of the proper course of action for the United States to meet the needs of the situation is, of course, extremely difficult. There are obvious objections or impracticabilities that attach to each of the alternate courses of action that can be considered, and none appears to be, at first glance, acceptable.

However, some course of action must be adopted, even though it be none other than a watch-and-wait action, somewhat as is going on at the present time. If a change of policy appears to be required, appears to be urgent, the degree of urgency must be in our minds when we consider the factors bearing on the alternative courses.

During the last 100 years China has been under the impact, in increasing degree, of western civilization. Whatever the differences or whatever the relative merits of the different civilizations, China has been forced to adjust her culture to the persistent intensity of this impact. For at least 50 years the United States has felt called upon to interpose American offices against the undue intrusion by forces of other western powers and of Japan:

(a) The open-door policy.

(b) The protection against the Japanese aggression of the Twenty-One Demands at the time of the First World War.

(c) Diplomatic efforts to resist Japanese aggression in Manchuria in 1931.

(d) Resistance to Japanese aggression caused by the Marco Polo Bridge incident in 1937.

Note should be taken here of the time element bearing on this situation with regard to the stimulation and initiation of Japanese activities. The Japanese power position in the western Pacific had been relatively strengthened by the naval military arms limitation treaty of 1922, and further improved by the treaty of 1930. By 1931, Japan had undoubtedly decided to terminate the treaty in 1936 (this in accord with treaty provisions). This meant that the differential of power in favor of Japan in the western Pacific could begin to change to Japan's disadvantage in 1941.

Further, Soviet Russia was steadily growing stronger as was demonstrated by tests of this growing strength in the border incidents around Mongolia.

In the meantime, beginning in the 1920's, China was taking effective steps toward Chinese unification and modernization of the Chinese Army and Air Forces.

The serious impairment of British power, demonstrated in the Mediterranean vis-à-vis Italy, and demonstrated by the failure to prevent German aggression against Austria and Czechoslovakia, and by the abject appeasement at Munich, gave evidence of the inability of Britain to participate effectively in opposing Japanese intentions in China and in eastern Asia in general.

It is unnecessary to state categorically that Japan evaluated completely and accurately all these factors. Suffice it to say that in general they offered sufficient promise toward Japanese success to bolster the persuasions of those urging acceleration of the Japanese aggressive program. They, the factors enumerated,



aggregated into an explosive situation which was very dangerous to peace in the western Pacific and to the world. Looking backward it is difficult, and it may be profitless, to say just what timely remedial steps could or should have been taken by the United States and other democratic powers opposed to this totalitarian aggression. It can be stated, however, that there were extremely few who appreciated the need or necessity for action, both with regard to the extent of action and to the compelling aspects of timely action.

Failure of the Nine Power Pact to stop Japanese aggression in Manchuria in 1931 greatly encouraged totalitarian powers, and lowered prestige of the western democracies in the eyes of the Asiatics.

Now once more political and ideological totalitarianism is on the march, on the march energized by the conviction of providential appointment to save the world, to save mankind by the establishment of institutions with which all other institutions, including those democratic, are entirely incompatible. That this is so has made itself apparent to the entire democratic world by innumerable facts apparently incontrovertible. But what to do about them, what to do to forestall if possible a world conflagration, does not appear to be so clear.

During the first 40 years of the twentieth century, China constituted the power vacuum in the western Pacific. Japan was the major expanding power pressing to fill this vacuum. At the present time China is still a vacuum, and the space formerly occupied by the Japanese power in the Japanese homeland and in southern Korea has been filled temporarily at least by the United States, and by Soviet Russia in northern Korea. The fact that Soviet Russia occupies Korea north of latitude 38 and occupies Port Arthur and Dairen is one for which the United States must accept a large part of the responsibility. Of vital concern to the future strategic situation is the question as to just where in this area Soviet power will become more or less stabilized. Shall it remain confined to the present Soviet Maritime Provinces, or must we accept the prospect of its extension to include Inner as well as Outer Mongolia, Manchuria, Korea, and north China, including Shantung and Hopei?

These two alternatives have an important bearing on the world's strategic picture. If the Soviet position in the maritime provinces is not integrated to the industrial and agricultural support of Manchuria, not supported by the strategic reinforcement of warm-water ports of Port Arthur, Dairen, and northern Korea, and is forced to continue to be dependent upon a line of supplies over the trans-Siberian railway, the maritime province position continues to be a source of weakness and vulnerability to Russia, particularly as long as American military power, navy, air, and land, are sufficiently maintained in the Western Pacific. In other words, Soviet aggressive action to exploit favorable prospects in central Europe would tend to be restrained by the comparatively weak position in eastern Asia.

If, however, Soviet eastern Asia becomes self-sufficient by the addition and development of Manchuria, Korea, and parts of north China, Soviet Asia can then become an element of strength in the over-all Soviet power structure rather than weakness. Japanese military power has, at least for the present, been terminated. Presumably a helpless Japan, as well as a helpless China, is to be protected against aggression, against the forcible intrusion of totalitarianism ideologies, such as communism, by the United States or possibly by the United Nations. At present the Soviet base for attack it at the end of the trans-Siberian Railway in Vladivostok, it is narrow and limited in strength. If it is extended to include Korea and broadened to include Manchuria and possibly Hopei and Shantung, it appears probable that the situation will develop in which the balance of power has been moved from the side of the democratic powers to that of Soviet Russia and her satellites. Such a possibility faces us at this time. If it eventuates either the United States must maintain or build up considerable military power in Japan and in China, or it will have to resign itself to secondary influence in this area.

In the end, diplomatic strength and strategic potential rests on the ability to carry on a total war. For eastern Asia this means for the United States her ability to project effective armed strength to the land masses of eastern Asia.

The ability to do this rests, as has been amply demonstrated, upon naval power controlling the sea lanes through which the strength must be projected, upon land power, including air, to be projected, and upon beachheads upon which to project them.

At the present time we still possess potential beachheads, we still have the naval power, we still have major elements of sea power, but we do not have a United States base nearer than Guam, 2,000 miles away, and our land and air power capable of being projected, is, at the moment, in a perilous condition.



True, for the moment, we have bases in Japan; we have an air base in Okinawa. Whether or not we will have our Japanese bases 15 years from now is another question.

Also, at the moment, we have an anchorage, plus certain minor facilities in Tsingtao. Our position in Tsingtao and in Japan constitute our immediate steps to occupy by the American Navy the naval vacuum in this critical area, created by the elimination of the Japanese Navy.

There appear to be five alternative procedures for solving the Chinese problem:

(a) A composition of differences between the Nationalists and Communists.

(b) Leaving the problem to be settled by the Chinese amongst themselves.

(c) Assistance to the Communists.

(d) Assistance to the Nationalist Government, chiefly materials and advisers.

(e) Settlement by agreement of the civil war in a certain province, such as Shantung, in a manner that would provide largely for worthy Communist objectives in that area in a way that would separate the Communists from the Moscow guided or controlled hierarchy, and that would serve as an inspiration to additional piecemeal settlements by provinces in north China and possibly Manchuria.

Before giving detailed consideration to these alternatives, it is well to review briefly the general situation now obtaining. In November 1946 the Nationalist forces had the initiative and the position of the Communists was steadily deteriorating. It was at this moment, on November 12, that the cease-fire order was issued by the Generalissimo in order to promote attendance by all parties at the National Constitutional Convention about to convene in Nanking. The Nationalists lost the initiative with the issuance of the cease-fire order, and gave the Communists the opportunity to recoup their losses and gain strength for renewed efforts. Since that time the Nationalist position, economic as well as military, has deteriorated at a constantly accelerating rate, despite gains in northern Kiangsu and the political victory at Yen-an.

In November 1946, the Nationalist position in Shantung was quite favorable. The railroad from Tsingtao to Tainan had been opened and was being reconstructed. Coal shipments were shortly to get under way from the Poshan mines. The Nationalist forces had the initiative. As elsewhere, their situation has deteriorated rapidly since that time. The Communists have built up their strength, both from the adjacent western provinces and from Dairen and Port Arthur. Unless the course of events of the past 6 months is definitely reversed, it is probable that the Communists, if they so desire, can take Tsingtao in a few months' time in the event that United States forces there are withdrawn.

The Nationalist strength in Manchuria was built up largely with American aid, and built up in spite of Soviet obstruction and assistance to the Communist efforts in that area. There appears to be little concrete evidence of the supply of Russian arms and Russian equipment to the Communists. There is, however, much evidence of the direct and indirect assistance in passing Japanese arms to the Communists. Further, Russian ships have in fact transported supplies from Dairen and Port Arthur to Chefoo.

The recent Communist drive against the Nationalist position in southern Manchuria was a strong one. For the first time the Communists were provided with artillery in quantity and established a line of supplies which permitted their attack against strong Nationalist-defended positions.

It seems probable that the situation at this time is that the Nationalists cannot hold Manchuria beyond October or November, unless they are given outside assistance and maybe not even then. If the Nationalists should attempt to hold Manchuria and lose their armed forces in that area so that they would not be available for use in Shantung, it seems not improbable that Shantung will be lost, and probably Hopei also. If the Nationalists lose Hopei, resulting in the cutting off of the coal supply from Chinwangtao, the Nationalists position, even along the Yangtze River, will become critical. In such a situation it would appear that the Nationalists would be forced to give in to Communist demands, a breakdown into regional governments with those in the north under Communist control would result.



So far the Nationalists have been unable to oppose the Communist guerrilla tactics by active mobile countermeasures. This is due, among others, to the following factors:

- (a) Nationalist ineptitude of leadership.
- (b) Absence of concern by the officers for the welfare of the men. This has caused lukewarmness amongst the soldiers and prevents subdivision of the Nationalist armies into small mobile groups that could be depended upon to carry out successful counter-guerrilla warfare.
- (c) The Nationalist armies, particularly the best Nationalist armies, have been trained in mass organized operations.
- (d) The Nationalists have been equipped with mechanical transportation, unsuited for cross-country use for which the Communists use carts. Further, though they have been equipped with mechanical transportation, they do not have the organization, ability, or enterprise to keep their equipment operable.
- (e) Ineptitude of leadership, coupled with lukewarmness of troops with lack of a good intelligence system, has caused the Nationalists to suffer reverses on many occasions when they have ventured out on mobile operations and has caused them to lose equipment and ammunition to the Communists. The guns and ammunition captured from Nationalists, plus those acquired from the Japanese surrender (surrender to the Russians and others) have kept the Communists supplied with means for carrying on the war.

Returning to the alternatives listed above,

"(a) A composition of differences between the Communists and Nationalists": It was necessary in the beginning that the greatest efforts possible be made to this most logical solution to the differences between the Nationalists and Communists. I believe this step was necessary, even had it been known in the beginning that it was not destined to success, because it served clearly to establish the ideals and real objectives of the opposing factions.

At this time, it appears clear that the Communist hierarchy never intended a real composition of differences. In July and August 1946 this was convincingly demonstrated by the An Ping incident, in which the Communists deliberately attacked a movement of supplies to the executive arbitration headquarters, and in the ensuing weeks and months resisted all efforts to get on with the joint investigation to establish the facts as to what had taken place.

"(b) Leaving the problem to be settled by the Chinese amongst themselves": This policy may appear, on the surface, to be the least costly one to be followed. In following it, however, it would appear to me that we tend to commit ourselves to adhere to it whatever may befall. The situation would get must worse before it could improve.

The probable result would be a continuation of the civil war with rapid diminution of National military effort and progressive worsening of the economic situation until the government fell apart. The Communists would then emerge as the strongest force in China.

At some point, peace negotiations might be instituted. The most that could be hoped for from such negotiations would be a compromise that would leave China disunited, weak, and helpless, a state in which communism of the Russian variety thrives.

The Chinese Communist program in Manchuria and north China has in recent months grown stronger. It appears to be moving in accordance with a definite plan approved and supported from Moscow. At the present time it seems probable that it will continue to gain in vigor and to have increasing chances of success.

We are now faced with the difficult problems that will be presented by the collapse of Nationalist power in Manchuria, Shantung, and Hopei, with the consequent loss of the coal supply from Chinwangtao, and perhaps with the collapse of the Nationalist Government. Such a situation would present such dangers to China, to the United States, and to the world in general, that it appears to me, much as we might like to do so, we cannot accept a policy of *laissez faire*.

A complete *laissez faire* policy could involve the total withdrawal from the China theater of all our military forces. This is a step that appears to be advocated in some quarters. If this step is taken, it might well precipitate the collapse of the central government that is referred to above.



"(c) Assistance to the Communists": There is no doubt but what the Communist movement in China has demonstrated many virtues and has put into effect desirable reforms:

- (a) Passing land ownership to the farmers themselves and away from absentee land owners.
- (b) Better relationship between officers and men.
- (c) Caring for soldiers' families.
- (d) Fostering education.

There is reason to believe, however, that these improvements that have been observed in some areas by no means obtain in all. In many cases owners have been dispossessed and ownership passed to racketeers rather than a distribution to appropriate receivers.

The Communists have refrained from taking large cities, because they seem not capable of holding them, and even if they could, they are not capable of running large cities and industries. Differing from the Communist government in Russia, the movement in China stems not from the needs of industrial workers, but from the needs of the peasant farmers.

Even if it were otherwise desirable, even if the establishment of Communist influence throughout was acceptable, it is believed impossible for them to set up a modern China fitted to take its place in the international structure.

"(d) Assistance to the Nationalist Government, chiefly materials and advisers": The present Chinese Government is permeated with inefficiency, corruption, and reactionary tendencies. It is stymied by poor military leadership. There naturally exist serious objections to extending material help on a major scale to the maintenance and establishment in full authority of such a regime.

I am, however, convinced that the vital and immediate need for China, for the United States, and for the world in general, is for the establishment of peace. Any immediate attempts to reform or liberalize the Chinese Government should have as their immediate objectives the establishment of peace. Reforms and attempts at democratization that do not contribute to that end should be deferred, although promises of future action along these lines may properly be exacted as the price of our help. In this connection, it should be borne in mind that the Chinese masses are not sufficiently advanced to make a democracy, in the sense that we know it, a working institution.

It appears to be impracticable and inadvisable that any help given to the Chinese Government should go beyond financial, material, and advisory assistance. One important aspect of the material assistance to be rendered is the resupply of ammunition for the guns with which a large part of the effective Chinese forces have been equipped by the United States. By supplying them with guns and later denying them ammunition, we have in effect armed them and then turned around and disarmed them.

If we give the Chinese material, including ammunition, we will, of course, open ourselves to very serious criticism for supplying ammunition to shoot down liberal elements amongst the Chinese. Further, such help to the Nationalists may cause counteraction by Russia in the way of furnishing supplies to the Communists or to bringing the matter up for United Nations consideration. With regard to the last, however, Russia is probably already extending assistance, and would therefore not desire United Nations inquiry. Russia has already made her plans. It seems probable that Russia will do no more and no less than already provided for in plans regardless to what we do. Russia's ability to assist the CCP is limited by her own urgent needs.

If we should decide on this step, we should make definite provisions for concrete measures to improve the Chinese Government. Measures that would be designed not only to eliminate corruption and forestall or minimize antagonism on the part of liberals, but also to attract to the support of the Nationalist Government elements that at the present time remain aloof or estranged.

These would be reform steps with the definite objective of strengthening the forces endeavoring to bring about peace and weakening those in armed rebellion.

If this step is decided, I think there should be specific engagements on the part of both parties; in other words, the United States state what it is prepared to do in the way of furnishing materials and advice (both must be furnished if effective assistance is to be given) and the Chinese on the other hand must engage to follow the advice of the advisers and engage to institute specified



reforms in the Nationalist Government and in the provincial and municipal administrations.

"(e) Settlement by agreement of the civil war in a certain province, such as Shantung. \* \* \*"

All efforts to solve the Chinese problem in the past and the alternatives discussed above, have been on a wholesale simultaneous settlement. In July of last year I informed both General Marshall and the Generalissimo that in the event it was desired to arrange a meeting between Communist and Nationalist field generals, such as those in Shantung, I would make available the ESTES in a port such as Chefoo, a neutral place, directly accessible to both Nationalists and Communists without their having to go through territory under oppositions control to carry out negotiations. In talking this over with General Marshall, I explained that I had in mind that it might be found desirable, instead of making a wholesale arrangement, to effect a partial settlement in a province like Shantung, settling it to the advantage of both parties and to the advantage of all of the inhabitants of Shantung. The settlement to be carried out in good faith, in such a manner as to provide a guide and incentive to peace in other warring provinces along similar lines. At that time there was some reason to believe that the Communist command in Shantung might have gone along with such a proposal, especially if it had had some way of being assured of the good faith of the Nationalists. This proposition, however, did not work out.

It seems at the present time that the possibility of such a step is considerably more remote than it was a year ago. It may be completely impossible, but even with the remoteness of possibility it may be the only effective way of getting on with the job. It would involve, of course, a willingness on the part of the local Communists to separate themselves from the control of the Communist hierarchy of Mao Tse-dung and other Communist leaders. It would involve good faith on the part of the Nationalist authorities toward all inhabitants of Shantung, either Communist or otherwise. Possibly the only way such a guaranty of good faith could be provided would be through the good offices of officials of the United States.

I feel that this alternative should be explored. It might be explored in connection with either (d) or (b).

Serious impracticabilities or objections attach to all of the alternatives that have been here suggested. This does not mean, however, that we should end up with a policy of drift, because we do not know what to do. We must weigh the dangers and objections to drift with the same objectivity that we explore the other alternatives. We must recognize that the decision to drift is itself just as much a definite step as any of the others. We must recognize that if drift is for us prospectively a more dangerous policy that we may have already delayed almost too long in adopting an alternative.

Mr. COOKE. Now you ask me a question about expression of views. During the period after retirement and before 1950 I was called on to address various groups, including the National Staff College, and in various parts of the United States. In most cases the remarks I made there go along the same line, but I do not know that there is any record of them.

However, I did address the Economic Club of Detroit—all of these, of course, on their invitation—in a speech in September 1950, which was later published in the Vital Speeches of the Day, and therefore became available to me, and I have printed it, and I have given you a copy of that.

Mr. MORRIS. Do you have that with you, Admiral?

Mr. COOKE. Yes.

Mr. MORRIS. Will you make that a part of your record?

Mr. COOKE. Yes.

Senator WATKINS. That is Our Policies and Prospects in the Far East, a copy of extemporaneous speech made by Admiral Cooke in



September 1949 published in December issue of Vital Speeches of the Day. It may be made a part of the record.

(The document referred to was marked "Exhibit 350" and is as follows:)

EXHIBIT No. 350

OUR POLICIES AND PROSPECTS IN THE FAR EAST—COPY OF EXTEMPORANEOUS SPEECH MADE BY ADMIRAL COOKE IN SEPTEMBER 1949 PUBLISHED IN DECEMBER ISSUE OF VITAL SPEECHES OF THE DAY

(The Disaster in Pacific Far Greater Than Pearl Harbor, by Admiral Charles M. Cooke, Jr., United States Navy, Retired, Sonoma, Calif.; former commander Seventh Fleet, Western Pacific, including United States naval forces operating along the China coast and ashore in China, delivered before the Economic Club of Detroit, Detroit, Mich., September 26, 1949)

Gentlemen, I do not know how much all of you appreciate how vital the subject I am to discuss is to the welfare of the United States and to the world, as well as to China and the Far East. If, here in Detroit, one section of your city had a bad epidemic of bubonic plague, all you gentlemen in this city, the whole State, the whole United States, would be concerned, concerned with stopping it, with helping the people stop it, exploring where and how the contagion originated, concerned with checking its spread, and so on. Now, that may seem like an exaggerated analogy with regard to the blight, the disease, that has descended on eastern Asia, but there is really not so much exaggeration in it.

In eastern Asia, half the population of the world is emerging from an ancient or older civilization, trying to take on the habiliments of western civilization and take a proper place in the world, proper not only for itself, but for the world. We say that authoritarian communism is a disease—the Russians would probably say that we are the disease. Of major importance to every district in the United States, including Detroit, is the situation in China because the genesis of the war that we have just fought took place in China, as I will explain later to those who may not already know it.

When the war was over, in most circles including Government officials, it was thought that the Russians, who had been brought in contact with the Western World in the latter part of the war, and immediately after the peace, would have looked upon the green pastures of our Western world, our capitalistic world, with such avid eyes that they would no longer willingly accept the ruthless restrictions of communism. We were wrong. Some of us began to find it out pretty soon. We had thought at first that, even if the Politburo wanted to push these, their people, back behind an iron curtain, that they would not be able to do so. We were wrong. Many of us began to discover our error both in the Far East and in Europe, in the summer of 1946.

In Europe our position vis-à-vis the Communists stiffened; we were ready to make decisions; we were ready to send help, as time went on, to Greece, Italy, France, to all the western part of Europe. It mattered not that such action involved us in fratricidal warfare, as it did in Greece, or possibly in the revolutions that might occur in Italy or France, nor did we restrict our action because of fear of hostilities that might develop over the Berlin airlift, which lifted the Berlin blockade.

Looking not only into the past, but also into the future, we resolutely came to decisions, and took action. It is that kind of action which not only prevents the spread of disease into weakened nations, but provides a basis for the disruption such as later occurred in Yugoslavia. But for that display of firmness and strength, these disruptions that we welcome would not have taken place. Without a manifestation of decision and resolution disruption of Communist enslavement will not take place in the Far East.

In Europe, I would like to use, to express my view of what we did, the words of Mr. Stimson who, in 1947, wrote these two sentences. He said:

"I have served as Secretary of State in a time of frightened isolationism, and as Secretary of War in a time of brave and generous action. I know the withering effects of limited commitments, and I know the regenerative power of full action."

Now, different views from the above prevailed in the Far East, with a different result. We had gone to war to maintain or reestablish an independent, free, and prosperous China. I had a lot to do, as Admiral Doyle has just said, with planning that war. You gentlemen here contributed in major degree to its execution, its successful prosecution. Over 100,000 lives were spent marching



across the Pacific, and over \$150 billion. We won our object of establishing a free and independent China. Now we have lost it—lost not only what we fought for and won but more. We're much worse off than we were on December 7, 1941.

Much criticism has arisen in the United States regarding this peacetime defeat. The State Department, feeling itself under attack, has published a white paper. Most papers of that kind are published by one government vis-à-vis other governments, in which, naturally, they set forth everything in the best light possible. But this paper is one that is directed internally. It's pointed to the people of the United States. When the lawyer consults with his own side he necessarily must not, or should not, hide or blink any of the facts. In the letter of transmittal of this paper to the President of the United States, the Secretary of State includes this statement: "That nothing that this country did or could have done affected this result. Nothing that this country failed to do contributed to it in any way." This statement adds up to the fact that we have suffered a catastrophic defeat, but we did not contribute to it, that we were not at fault in the least particular. I quote this statement of view because if it should be literally accepted, if it is true, then, it is not much use for us to try to find means of doing something in the Far East under the conditions that now exist. Because if we, in fact, did not help bring this thing about, if, in fact there was nothing we could do when the Nationalists were on top, which they were 2½, 3 years ago, then what can we do now? My feeling is that before we resign ourselves to such a state of helplessness we must look into the picture of of what brought this on, of how it came about, of our commitments and obligations, in order to determine what we could do or should do, or must do at this time, late as it is. An examination of what has taken place is necessary but we must do more than merely to look in the past. In Europe we looked into the past and we looked into the future. Can we in the Far East afford to be like the fabulous "futalive" bird which always flew backward in order that he could always see where he had been, and not look where he was going. We will have to look back first to seek the answers to some of the questions I have raised.

We go back to 1922. Most people consider that World War II had its genesis in the seizure of Manchuria by Japan in 1931. With this I agree, but we must go back a little further for the foundations of the situation which led the Japanese to its seizure. World War I came to be declared to be a war to end all wars. After it was over, peace and justice were to reign without support of power and force. Along that line, the United States, which you might say at that time was first entering its position as being a world power, exerting influence all over the world—we were novices, there was much we didn't know, there was much idealism—proposed scrapping half our Navy. The ratio of our naval strength to that of Japan was about 10 to 3. We said, "Well reduce it to 5 to 3." Even that the Japanese didn't want to accept. They said, "If we agree to such a fixed disparity we will forever more be at the mercy of the United States." They said "You, as well as the British, must agree to the nonfortification, nondevelopment of all bases in the western Pacific." So we said, "We can agree to that except that it would leave China at your mercy." They replied, "Oh, no! we will guarantee by solemn treaty to respect the integrity and welfare of China." So we bought this treaty of nonaggression against China with a quid pro quo of scrapped ships that would cost over a billion dollars at this time, and thereby we sacrificed a balance of power that had been a major controlling force in east Asia.

There are many people who even yet condemn the "balance of power" principle. Many even say that World War I was caused by it. World War I came in spite of it. Balance of power is an instrument of peace and justice and freedom, properly used. Balance of power is something that applies domestically, as well as internationally. You have a police force that's balanced to meet the incidence of and inclination toward crime. If you withdraw your police force, as happened in the Boston police strike in 1919, the criminal elements, the rowdy elements, the hooligans, take charge. They are the minority but they take charge. On the other hand, if you have too large a police force, you get a police state. You can overbalance it either way. The balance of power that we had exercised for over 20 years in eastern Asia had prevented unrestrained aggression by Russia and Japan, in turn. They had taken some parts of China, but they were kept from taking north China by the international balance of power, the main element of which was provided by the United States. We gave that up. I am not so much concerned about the limitation of the Navy, but by the reduction of our power, which caused an unbalancing of power in the western



Pacific and laid the foundation for the seizure of Manchuria, for World War II, for Pearl Harbor.

China, at this time, was going through very strenuous rebirth pains. Sun Yat-sen had died in 1925. Chiang Kai-shek had taken over. He was making much headway toward unifying China, educating China, eliminating communism—making great progress in spite of the Japanese attack and the Japanese partial closing of the “open door.” He kept going ahead, improving, headed hopefully toward an eventual restoration of a balance of power through the strengthening of China itself. But Japan was not going to let any such thing happen, and in 1937, as you know, she attacked China in the so-called incident. Chiang Kai-shek, the unifying force, the motivating force of China, held China against this totalitarian attack for 4 years after the invasion started. Mind you, France in 1940 had folded after 2 months of invasion. I’m not talking about France—I’m only answering the criticisms of those who feel very critical of what the Chinese don’t do now and what Chiang Kai-shek doesn’t succeed in doing now. After 4 years of this one-sided struggle came Pearl Harbor. We came into the war. When we did so a major problem confronting us was keeping Great Britain, Russia, and China in the war. We gave Great Britain \$31 billion worth of lend-lease, Russia, \$11 billion, China \$1 billion—we couldn’t get more to China. But in spite of the meagerness of help, China held on for 4 years more—once more, under the leadership of Chiang Kai-shek, good or as bad as it might be—only to end up in 1945 confronting a dangerous enemy that had been built up in China’s midst—communism.

Now I must go back to indicate how communism got there. After World War I a few Communists had trickled into China. Sun Yat-sen, recognizing that the big problem was that China must be westernized and would require western help in the way of men and money and materials of every kind, sought help in the United States and in Western Europe. He could not get it and, at the suggestion of Russian agents, in China at the time, he brought in a Russian mission. That is the way that communism got started in China. The mission was there from 1923 to 1927, under the direct orders all the time of Moscow as to the development of the Communist movement in China and in detail as to what they should do. In those days, Russia feared Japan. As a counter against Japanese power Russia wanted a fairly strong China. The Chinese Communists were directed to enter the Kuomintang under whatever terms they could arrange with Sun Yat-sen. This they did. Of interest is that the Trotskyites, who were in China as well as Russia, opposed this Moscow-directed policy. They did not want to compromise even in the small degree of joining the Kuomintang—they were all purged on Moscow orders. But in 1927, Chiang Kai-shek decided he could not go along with communism any longer. He evicted the Russian mission, he liquidated many of the Chinese Communists. Those that escaped bedded down in Kwangsi Province in south China. If the Japanese had not attacked in 1937, he would probably eventually have ended communism because there were not too many Communists in China. However, in 1934, in a celebrated trek, the Communists moved from Kwangsi to north China, Shensi Province, where they were to be close to Russia and could get Russian help and Russian guidance. They were not then spread over north China, and they were not, of course, in Manchuria, which was controlled by Japan.

On their invasion of China, the Japanese occupied the railroads and the cities but did not try to occupy the pockets in between. The Nationalist armies fell back to the westward while the Communists infiltrated into the vacated pockets no longer susceptible to Nationalist control, developed their cells, developed their guerrilla warfare groups, throughout north China during this period of 1937 to 1945. During part of the war, particularly around 1942 when Russia was still weak, under Russian direction the Chinese Communists fought the Japs. In the latter part of the war, when Russia was stronger and Japan was approaching defeat, the Communists fought the Japs only intermittently and just enough to support their claim for American arms. At this juncture, a number of our representatives in China, including Mr. Wallace, said that the Communists were fine people, that they were the regenerative power for China, that they must be brought into the Chinese Government. Some of our people even went so far as to say that the United States should get aboard the Communist bandwagon.

General Hurley was our Ambassador to China. He first thought that we could do business with the Communists. Later he changed his mind, but some of his subordinates did not change their minds. He had them detached. But



they went to Washington, returning to duty in the State Department itself, and were there in a position to issue directives guiding General Hurley himself. As you know, General Hurley resigned and was replaced by General Marshall. General Marshall brought with him to China the statement of policy of the United States, which was that the United States desired to rehabilitate China, to restore it to prosperity, establish a unified, peaceful, strong China, under a government composed of all elements. And, of course, the major element outside of the Kuomintang, or Nationalist Party itself, was the Communist element. This policy went on to say that the United States stood ready to assist any government so constituted. Of course, the Communists would never have a government so constituted except on their own Communist terms.

China had ended the war with its armies in the south, the economy disrupted by 8 years of war, no transportation, no merchant marine, no navy. She had to handle all the jobs of rehabilitating, of receiving the surrender of the Japanese armies throughout China, had to try to reestablish the economy, try to take over areas that had fallen into Communist hands during the war, all in a very short space of time. We helped them somewhat. We equipped some of their armies. We transported some of their troops north. We helped feed some of the famine areas such as Hunan in central China. But we contributed to the infliction on China of a very serious situation in Manchuria. There were no Communists in Manchuria at the end of the war, except the Russians. Manchuria was a great arsenal. The industrial capacity of Manchuria is much greater than that of all of China. At Yalta, as you know, we had agreed to Russia's taking over certain parts of Manchuria—the railroads and to a certain extent Dairen and Port Arthur. Just before VJ-day, we more or less directed the Chinese to negotiate a formalizing treaty with the Russians, which they did, in early August 1945. We said—and I quote again from the white paper—we said that in the treaty being negotiated between the Chinese and the Russians, the agreements established in Yalta must be followed, no more, no less. The treaty that was negotiated guaranteed sovereignty in Manchuria to the Nationalist government, including sovereignty over Dairen and over all Manchuria. So, it's hard to see how we were not a party to it. Of course, the treaty was never observed by the Russians.

There's been much criticism of the strategical error of the Nationalist government in entering Manchuria. But the Nationalists faced a dilemma. The Communists were not yet in Manchuria. If the Nationalists did not go immediately to take over this, their own area, the Communists would, and would come into possession of Japanese arms and ammunition and arsenals. So, if the Nationalists went to North China and not to Manchuria they would allow to fall to the Communists in Manchuria, a supply of arms and ammunition to carry on the war. Naturally the Nationalists rushed to Manchuria. But what the Russians were doing at that time was ostensibly patting the Nationalist government on the back with one hand, while with the other hand they were beckoning the Communists to make all haste to come in and occupy Manchuria themselves. That this was going on was reported at the time by our Embassy in Moscow to our Government—according to the white paper.

General Marshall, as the President's special envoy, operating under the directive of the State Department, and making a strong effort to solve the situation by bringing the Communists into the Government found himself confronted with Communist negotiators who needed to stall for time to build up and arm their armies and to get their armies into Manchuria. From time to time, as hostilities continued the Nationalist armies succeeded in placing an effective squeeze on the Communists. At such times the Communists would dangle forth hopes of their coming into the Government under the proposed conditions, and General Marshall would persuade Chiang Kai-shek to accept a truce. This happened a number of times. Since then Chiang has made the observation that he, Chiang Kai-shek, had made many blunders, but that the greatest blunder that he had made was when he was persuaded to stay his hand when he was winning.

As I have said, the arms and ammunition of the Japanese, and the arsenals in northern Manchuria were being passed over to the Communists. At the same time we, whose declared policy was to avoid participation in fratricidal warfare in China—which was a controlling policy, you might say—declared an embargo on ammunition to the Nationalists. During the war we had armed and equipped 30 divisions, trained them, had American advisors for them, in order to fight the Japs. They were the best Chinese divisions. They were equipped with American arms, required American ammunition. General Marshall himself observed to



me, at the time we declared this embargo, that we had armed the Chinese and then we had disarmed them. These factors had a decisive effect on the situation during the critical years of 1946 and 1947.

The Chinese had some inept leadership. There was some corruption, it is true. Much has been said about the corruption. Who is free from corruption? Probably the Chinese are somewhat on a par with the Greeks. We decided to help Greece. We found that the help we gave them—materials, the financial help—was not sufficient. We had to send advisory help. In any country of this kind the most important help that we can send is men—men of experience, ability, force, integrity. Such advisors are able to place a premium upon performance, on efficiency, and on honesty, of the best Chinese or best Greeks, and at the same time to put a damper on nonperformance and dishonesty. The furnishing of advisory help is the one thing that we have not done at any time. We withheld help for China for a long time, but finally passed an act in 1948, providing military help which began to arrive in China in November, 1948, when the battle was practically over. But even that act had the string tied on it that there should be no advisory help—added to the House bill by the Senate at the State Department's behest.

Another thing I might mention is the frequently asserted "billions poured down the rathole to help the Chinese fight the Communists but it didn't do any good." Included in the claim of "billions" is UNRRA. UNRRA went to relieve the destitution left by the war, and also to feed the hundreds of thousands of refugees that moved ahead of the Communist advance, wherever it took place. I helped feed 300,000 in Tsingtao. When the Nationalists advanced there was no movement ahead of them. When the Communists advanced many were driven out and much of the UNRRA supplies had to go to feed them and to feed famine districts. Some of it actually went to feed the Communists. With my planes I dropped a million pounds in the Communist area, an operation arranged with the Nationalist permission. It was all taken by the Communist armies and did not any of it go to the destitute for whom it was intended. We know that. The State Department knows that.

Actually, what we have contributed to fight the Communists, is less, in my opinion, than the contributions made to fight the Communists in Greece. The white paper states that "We could not extend the same kind of help to China that we did to Greece because China was many times bigger"—therefore, though it was right for Greece, it was wrong for China.

I personally consider that effective help to China was never in conflict with what we did in Europe. It was complementary to it. If we put \$10 billion to stop communism, which we have done, it's better to expend it both in Europe and in Asia, mostly, maybe, in Europe. Our efforts in Europe would have been reinforced and supported if we had wisely directed purposeful help to China.

So, the Communists moved on. They have taken over most of China. I'm convinced they could have been stopped in 1946 and 1947 if we had provided ammunition and advisory help. General Wedemeyer is convinced of that. Many, both in the military and outside of the military, have considered that if we had committed ourselves to a definite objective, and supported it as we had in Greece, the fall of China to the Communists did not need to take place.

The Communists will probably take over practically all of China—mainland China. There will be a question about Formosa. Communism will probably move on to the borders of Burma and Indonesia. The letter of transmittal of the white paper ends up: "If the Communists should decide to undertake aggression against their neighbors, then we, ourselves and the other nations in the United Nations, will be confronted with a situation violative of the United Nations Charter." What that is intended to add up to, if anything, I don't know. It's not clear because there has already been Communist aggression against these neighboring countries. It got under way during the Japanese occupation. The United States, ending up the war, adopted the policy of favoring the termination in large degree of the colonial regimes that existed in Indochina, Indonesia, and so forth. That was a worthy objective. The question always arises, though: "Just how do you get from one place to another?" "What kind of and how long a transition period is needed?" Japanese authority directed only to the support of the Japanese war, replaced the French, the British, and the Dutch authority. When the Japanese authority was suddenly terminated a chaotic condition ensued in which the greatest danger was the Communist cells that had been built up during the war. It's always a question, How fast can a country move from a condition of complete dependence into complete independence? In the Philip-



pires we took a period of 1916 to 1946, 30 years, and I think that long a period of transition is needed under the conditions that existed.

Many people say that if a country is going to attain the liberty status, it must learn to walk, and even though it may fall, that's the only way it can learn to walk. When a child learns to walk, he falls now and then. We must expect that he will fall. But we don't have to let him get out in traffic by himself. So, I feel that when we want to do our best for the movement of these people, these populations of Indonesia and Indochina, into a free world that is going our way instead of the Communist way, we should not foster too rapid a transition period.

Now, to return briefly to Japan. Japan, a nation of 80 million people, must depend on an outside food supply of about 20 percent; that is, food for 16 million people. They must get it from somewhere, and the normal place to get it is from east Asia. Japan, on the other hand, must pay for that by industrial production and by services. They've got the know-how, they can produce and ship manufactured goods. They must get food. We cannot continue indefinitely to supply the food they need. If all the Chinese in Indonesia and Indochina join in with the Chinese Communists to establish a Communist regime throughout Far East Asia, then the pressure on Japan to enter the Communist orbit will be tremendous. It will be very difficult to resist it.

Many people say the Chinese have always absorbed or driven out aliens. That is true. They have. But they, those they absorbed or drove out, were of an inferior culture and it took time to absorb them. The absorption or expulsion required generations to complete, and the movement had to have a starting point. Those who are going to oppose communism need a rallying point. I consider that we still have to support the only rallying point possible; namely, the Nationalist Government. We must do it primarily with advisors. We should not send a dollar to China, or any material, without the guidance of American advisors. We never should send divisions of troops. That wouldn't work.

Now, I have one more observation to make. I was at Pearl Harbor, in command of the *Pennsylvania*. I was in drydock. All my propellers were off the ship. Two destroyers were in there with me. I was hit by bombs. The destroyers were hit. Both of them burned up. One of them blew up. The oil in the dock got on fire. Ships were rolling over and sinking and blowing up around me. A tremendous ordeal to you and the country, but more to us who were witnessing it. Pearl Harbor took about 2 hours. The commanders in chief could do nothing after it started other than what they did do. Suppose Pearl Harbor had taken 4 years, and that these commanders had done nothing—how much more culpable would they be? And I assure you that I consider the disaster that has overcome us in the Pacific during the past 4 years is far greater than Pearl Harbor. Pearl Harbor was but the culminating climax of something that had been going on before, and was really a blessing in disguise because, if it had not brought us into the war at that time, we would have gotten into the war much later. Under much more adverse conditions we would not have won it. During the period before Pearl Harbor, to use a biblical expression, we were "looking into a glass darkly," and Pearl Harbor brought us "face to face." With what is going on now, the people must look at it, but not continue to look at it "darkly." We want to bring it "face to face" before a catastrophic explosion much greater than Pearl Harbor takes place at some future date.

I thank you.

Mr. MORRIS. Mr. Chairman, these are put in the record to show that Admiral Cooke's views have been uniformly the same on the subject.

Mr. COOKE. The only thing I have record of that I can recall at the moment is that I was called on to represent the negative on Town Hall in December 1949 as to whether the United States should recognize Communist China.

Mr. MORRIS. Who also was on the negative?

Mr. COOKE. Senator Bridges.

Mr. MORRIS. Who was on the affirmative side?

Mr. COOKE. Mr. John Fairbank and Mr. Cobean.

Mr. MORRIS. Have you a copy of that transcript?

Mr. COOKE. Yes, I have.

Mr. MORRIS. May that be made a part of the record?



Senator WATKINS. It will be made a part of the record.  
(The document referred to was marked "Exhibit No. 351" and is as follows:)

#### EXHIBIT No. 351

[From Town Meeting, bulletin of America's Town Meeting of the Air, George V. Denny, Jr., moderator, December 6, 1949]

#### SHOULD WE RECOGNIZE THE CHINESE COMMUNIST GOVERNMENT?

ANNOUNCER. America's Town Meeting of the Air is but one of the many activities presented by Town Hall as part of its nonpartisan, nonsectarian, educational program. In Town Hall's own five-story building, just off Times Square in the heart of Manhattan, you'll find a diversified series of events. The Town Hall morning lecture series, for example, continues to generate the kind of intellectual energy that has made it the outstanding program of its kind in the Nation. Our morning lectures are in their fifty-sixth season.

Busy New Yorkers also take advantage of the Town Hall short courses presented daily at 5:30 p. m. and during the evening hours. These courses offer a variety of subjects.

Town Hall, of course, is a world-famous center of music. Last season, 91 musicians made their debuts on the Town Hall stage—a stage which has been the setting for the initial performances of such celebrated artists as Nelson Eddy, Marian Anderson, Eugene List, James Melton, Dorothy Maynor, and others. We hope you'll pay a visit to Town Hall on your next trip to New York.

Now to preside over our discussion, here is your moderator, the president of Town Hall and founder of America's Town Meeting, George V. Denny, Jr. Mr. Denny. [Applause.]

Moderator DENNY. Good evening, neighbors. After last week's broadcast when we announced tonight's topic, a member of the audience asked me the question, "Why do you spend time discussing what government we should recognize in China when we have so many more important subjects here at home. What do we care about the kind of government they have so long as they let us alone?"

I reminded our friend that this was the kind of talk we heard about Germany, Italy, and Japan before the last war, and that there was no subject in the world more important than that of trying to prevent another war.

We're discussing tonight's question because we are beginning to realize that it does make a difference what kind of government a nation has if that government happens to be aggressively totalitarian. Our entire Marshall plan is based on that assumption, as were our activities in the last Italian elections and our aid to Greece and Turkey.

However, except for the case of Soviet Russia, from the period 1917 to 1933, and the Stimson doctrine of nonrecognition of Japanese conquests, we have not used nonrecognition as an expression of disapproval of an established government.

We have hundreds of missionaries and extensive business interests in China. Do conditions under which the Chinese Communists have set up their regime justify our withholding recognition at this time or recognizing them?

Would the highest interests of this country and the peace of the world best be served by recognition or nonrecognition of the Communist Chinese government?

Also there is the question of timing. If we should recognize the Communist regime, should we do it now or later?

What we decide to do about this question has far-reaching implications, as China is said to have the largest population of any country in the world, and it's a fact that in the United Nations, China is one of the permanent members of the Security Council which may exercise the right of veto.

So whatever we do—withhold recognition or give recognition—it will have far-reaching effects of vital interest to the American people.

We're extremely fortunate in being able to bring you the counsel of four outstanding leaders who know China well—a United States Senator, an admiral who commanded our military forces in China from 1946 to 1948, an American businessman who has just returned from an 8-month trip around the world, and a professor of history at Harvard University, who's an outstanding authority on China.

We'll hear first from Mr. George C. Cobean, partner in the 117-year-old firm of Bulkley, Dunton Paper Co., New York; president of the foreign trading concern of Bulkley, Dunton Paper Co., which has markets in Latin America, Asia, and



South Africa. Mr. Cobean on his recent trip spent much of his time in the Far East, including China. Incidentally, the currency for the Chinese Nationalist Government was printed on paper manufactured by Mr. Cobean's company. Mr. George C. Cobean. [Applause.]

Mr. COBEAN. I contend that the United States should recognize the Chinese Communist government. It is now dominant and in control of virtually all of China.

I take this position because recognition does not mean or even imply our approval of that government. We have recognized many Latin-American governments which came into power by overthrowing the duly elected and constituted governments. In practically all such cases, our recognition has not carried with it our approval of the new government.

Any government recognizes a rebel or insurgent regime because it can then do more to protect its own citizens and their property located in the area. It is only after it has been recognized that such a government bears any responsibility under international law for any injury done to foreign citizens or to their property in the areas controlled by it.

The unrecognized Chinese Government was evidently relying on this point for immunity from liability when they held American Consul Ward and his associates in jail at Mukden. Any damages or redress to the United States for any injuries to Ward would, under international law, be recoverable only from the recognized Nationalist China Government, because the United States has failed to recognize the de facto Chinese Communist government. Everyone knows that the former government was entirely powerless to extend any protection to Ward.

My primary interest in this matter is that of a foreign trader with a lifetime of experience in travel and commercial pursuits in foreign markets, principally engaged in the promotion and sale of American products. I hope I may be considered as speaking on behalf of the thousands of American citizens similarly engaged.

For more than a century extending back even prior to the romantic era of our clipper ships, the United States has enjoyed commercial relations with China, and there has been created during this period great prestige for American products, valuable business contacts and warm personal friendship for the Chinese citizens.

Is it unthinkable that this should be abandoned to our competitors—the Russians, British, or other Europeans. I believe this will definitely be the result if we refuse to recognize the Chinese Government now in control in that country. It is persistently rumored that Great Britain fully intends to do so very soon.

The importance of our commerce with China, the welfare and prosperity of the people in American communities and in many of our industries are not generally appreciated. The San Francisco Chronicle recently published an article in which the statement was made that formerly 50 percent of the foreign trade of that port was with China.

My knowledge of individual Chinese causes me to believe few of them will ever become sincere Communists. The Chinese is definitely an individualist primarily interested in the welfare of himself and family. It is inconceivable that he should ever submit to becoming a chattel of the state and embrace communistic ideology in his heart.

Certainly the most effective procedure for hindering and halting the diffusion of communism in China is not for the democratic powers of the world to isolate and ostracize the Chinese people by refraining from recognizing the only government now existing in their country but to grant such recognition as a means to the ends of maintaining and developing friendly relations with the Chinese people, the most intelligent, industrious, long-suffering, and patient people in all Asia.

Refusal to recognize this government would deprive us of contact with the Chinese, and this would create an ideal atmosphere for the spread of communism throughout China. Free contact with democratic nations is evidently not a healthy condition for the spread of communism. An appreciation of this fact by the Russians is demonstrated by their zeal in keeping the iron curtain shut down tight.

For the democratic nations to refuse to deal with the present Chinese Government would undoubtedly please the Cominform immensely, for then they would have the field to themselves, unmolested in their efforts to subjugate the intelligent Chinese people under the yoke of communism.



Coincident with our recognition, we should be able to negotiate a treaty with this new government whereby guaranties are given that our properties and the lives and freedom of our citizens in China shall be adequately protected.

We should be in the position of demanding definite *quid pro quo* guaranties to this effect. It would seem logical that a clear-cut and definite understanding could be reached at this time for the protection of our rights, rather than at some later date after our active and realistic competitors have largely displaced us in that great world market. Eventually, we will attempt to do this anyhow, but it may then be tragically too late. [Applause.]

Moderator DENNY. Thank you Mr. Cobean. Our second speaker has a long and distinguished naval career. In 1945, with the rank of admiral, he was appointed commander of the Seventh Fleet in the Western Pacific, including naval forces operating along the China coast and in China. Incidentally, during that period, he transported some of the money made by Mr. Cobean's firm—Chinese money.

Admiral Charles M. Cooke, Jr., United States Navy, Retired, who was in command of the United States Steamship *Pennsylvania* when the Japanese bombed Pearl Harbor, attended all eight conferences of the Allied Heads of Government. In 1944, he was designated Chief of Staff to the Commander in Chief of the United States Fleet, Admiral Ernest J. King.

Let's now hear from Admiral Charles M. Cooke, who is now a retired naval officer and naturally speaks for himself and not the United States Navy. Admiral Cooke. [Applause.]

Admiral COOKE. If we are really to save American interests and help the Chinese people, Mr. Cobean, we must review the past. In March 1917 the Russian people overthrew the rule of the Czars and established their freedom. Their freedom was short-lived. A militant Bolshevik minority led by Lenin and Stalin soon took over, mounting to rule of fear, hate, and treachery, a regime dedicated to world conquest and headed toward world slavery.

Hitler imitated and adopted Stalin's methods. He told the world what he was going to do. But with a mixture of fatuous complacency and fright, the democratic nations allowed Hitler to swallow up his democratic neighbors.

With Hitler's defeat, Stalin resumed his march, overthrowing the liberal majorities of satellite countries in Europe, executing their leaders, and shackling all liberty.

What good has recognition of these Communist regimes produced?

From the beginning, Chinese communism has been Moscow-controlled and directed. Proof is abundant. The Chinese Communist leader, Mao Tze-tung, states, "The Chinese Communist Party was born with the help of the Communist International. It grew up under the guidance of the Communist International, and the Chinese revolution developed under the guidance of the Communist International. To carry out the international line and to be loyal to the Communist International is to guarantee the success of the Chinese revolution."

Last July, Chu Teh, the Communist commander in chief, stated, "It can be easily seen that the victory of the Chinese people's democratic revolution is inseparable from the friendly aid of the Soviet Union. If the Soviet Union does not exist, if there is no victory under the leadership of the Soviet Union, if there is no such development of the world democratic peace front under the leadership of the Soviet Union, the rapid and quick victory of the Chinese revolution as it is today would have been impossible. Even if we were to succeed, it would be impossible to consolidate our gains."

Four hundred and fifty million freedom-loving Chinese are passing into bondage under Communist Party leaders. I, too, Mr. Cobean, am fond of the Chinese people. I cannot go along with certifying this bondage.

Abraham Lincoln declared that the United States could not continue half free and half slave—all should be free. For the Politburo, the world cannot be half free and half slave—it shall all be slave.

Recognition of Communist China would serve to confirm and hasten Communist world enslavement. Can it be doubted that recognition would spread dismay among the real liberals in southeast Asia and Japan, while strengthening the hands and plans of communism?

There are those who would have us continue in a state of indecision and inaction, while millions in Asia are forced behind the curtain. But we must remember that the United States is denounced as the No. 1 and ultimate enemy.

Are we then to wait for decision and action to be forced upon us, as was done for England at Dunkirk, and for us at Pearl Harbor?



Are we to linger on, waiting to be awakened by some future, much bloodier, much more disastrous Pearl Harbor? The ghosts of 100,000 dead soldiers and sailors rise up from the islands of the Pacific to shout "No."

They are speaking to you and me—to the American people. Not only are we free to lift our voices in protest; we're duty-bound to do so. Not only should we not recognize the Communist government in China, but, in line with our policy in Europe, we should declare support of those who oppose it. [Applause.]

Moderator DENNY. Thank you, Admiral Cooke. Our third speaker is Dr. John K. Fairbank, professor of history at Harvard University, who served as special assistant to the American Ambassador in China in 1942 and 1943, who was director of the United States Information Service in China in 1945 and 1946, and is the author of many books, among them *The United States and China*. We take pleasure in welcoming back to Town Hall Dr. John K. Fairbank. [Applause].

Dr. FAIRBANK. Admiral Cooke suggests that, in order to exert our leadership of the non-Communist world, we should lift our voices in protest and shout "No." He says we should declare support of those who oppose Chinese communism.

After the build-up you gave us in the first part of your speech, Admiral, this shouting "No," even if very loud, sounds like an anticlimax, another mere declaration of anticommunism from us. A refusal to recognize realities in China, while Great Britain, Australia, India, and other countries do so, might indeed spread dismay about our capacity for positive leadership.

Actually, I think recognition, sooner or later, will be a necessary first step toward a constructive, bipartisan China policy. It's the first step toward supporting our century-old interests in China—the American colleges, missionaries, hospitals, and business firms there.

When you say recognition will serve no useful purpose, Admiral Cooke, I wonder if you realize that there are over 1,000 American missionaries at their posts in Communist China right now tonight. A dozen Protestant Christian colleges, two Catholic colleges are open and at work educating about a tenth of China's college students.

These Americans are all going to be subject to increasing Communist pressure. They need our Government's support, which can only be given if we recognize.

Of course, we all know, as Admiral Cooke has pointed out, that the Chinese Communists are real Communists and admire Russia. They are committed to totalitarian communism and the police state, which we Americans can never approve.

But I'm afraid the Chinese situation is even worse than Admiral Cooke realizes. The Chinese Communists are not Russian puppets, but Russian ideological disciples. They have come to power mainly through their own efforts, with very little Russian aid. Thus far, they've been largely running their own show, and, incidentally, doing a better job for the Chinese people, thus far, than their predecessors, the Nationalists. It's not yet certain how far the Chinese Communists will accept Russian domination inside China.

Well, what should we do about this regime, which is both Chinese and Communist—stronger than a mere Russian puppet, and yet firmly in the Russian camp?

I think recognition is necessary to support our interests in China, as I have said. But there's a second very practical reason, too. We need official contact with any Communist government just to know what's going on within its curtain of censorship and exclusion.

We still recognize Soviet Russia. I doubt if even Senator Bridges wants to withdraw our Embassy from Moscow. We need it there to report on Russia, to negotiate. The same applies to China.

The opponents of recognition have a genuine concern about Russian Communist expansion which we all share, but, in fact, our nonrecognition of China will probably help Russia. We can assume that Russia wants the Chinese Communists to cut the Chinese people off from American contact. Why should we play Russia's game? Why create our own iron curtain? Nonrecognition by us would play into Russian hands.

Then there are some Americans, I'm afraid, who would like to play politics. There's an old Chinese custom: When the weather is bad, blame it on the Emperor in Peking. Some people want to blame the revolution in China on the Democrats in Washington. Since 1947, the China interest of Governor Dewey and others has seemed to a nonpolitician, like myself, to be unexpectedly sudden.

I'm sure Senator Bridges, however, favors a real bipartisan policy on China. Finally, some Americans want to fight communist in Asia with arms. We



tried sending arms to Chiang Kai-shek. Today the Chinese Communists are using those arms against Chiang. Why? Because Chiang has lost popular support. His troops don't want to fight. Chiang still has plenty of American arms left on Formosa, but he lacks his Chinese support—not American arms.

For us to try to hold Formosa by force could only help the Communists unify all patriotic Chinese permanently against us. Intervention by us will not disillusion the Chinese people about communism. They must learn for themselves.

Meanwhile, recognition, whenever our Government can work it out, will help maintain our contact with the Chinese people. I should like to ask Senator Bridges how else would you propose to do it? [Applause.]

Moderator DENNY. Thank you, Dr. Fairbank. Well, the situation becomes more complex as we hear each new speaker. But stick by—we'll clear it all up at the end of this hour.

Our next speaker has always been deeply interested in China and our stake in Asia. He's a member of the Senate Appropriations and Armed Services Committees, the distinguished Republican Senator from New Hampshire—the Honorable Styles Bridges. Senator Bridges. [Applause.]

Senator BRIDGES. The real question being discussed is "Should the United States of America recognize Moscow as the governing authority in China?" That's the issue. [Applause.]

My answer, and it should be sufficient for any thoughtful American—even some of those in the third grade, for example—is "No!" Whether they know what the word "no" means up at Harvard, where Professor Fairbank comes from, or not, I don't know. But I say "No!" And I criticize his attempt to criticize Admiral Cooke in that direction. [Applause.]

The struggle in China is not a civil war. It's a foreign aggression of the Soviet Union against China—a violation of Russia's solemn pledges, including Russia's oath to support the Charter of the United Nations.

This is the most treacherous invasion the world has ever seen. It is incited from Moscow, directed from Moscow, and officered from Moscow, and fought only in the front lines by the Chinese.

Now our own State Department, weak and unfriendly as it is to Nationalist China, acknowledges that this is Russia's war against China. Why, Professor Fairbank, even the Chinese Communists themselves admit that they belong to the Kremlin. They are united with Russia, not only in ideology but in any future war.

Wherever communism appears, even the hope of democracy disappears. Wherever Russia rules, the people are forced to surrender their freedom to a police state.

I firmly believe that Americans will insist on withholding even tacit approval of Moscow in China. But there are even greater, more urgent, more selfish reasons why the United States should continue to support and recognize the Nationalist Government of China. There's a deadly parallel between the aggressions of Soviet Russia in Europe and Asia today and the aggressions of Axis Germany and Hitler 10 years ago. Remember, we were the intended victims then. We are the potential victims now. Why, I'm amazed, Mr. Cobean, that you don't see this.

Ultimately, our democracy is in peril, our homes are in danger. With the Soviet Union in possession of the atom bomb, all our concepts of security must change. We must learn that we have no time to barter away like Chamberlain did with his umbrella diplomacy.

At this moment, Russia is under indictment before the United Nations for having violated its treaty with China and the Charter of the United Nations by trying to overthrow the Nationalist Government. We now recognize that overthrow as a fact—which it is not—and we whitewash the Soviet Government. We place in the Security Council Russia's puppet delegates from China, and remove from the United Nations those of Nationalist China which is prosecuting the charges against Russia.

In other words, we remove a friend and substitute an enemy. Why, even a moron in this country should be able to understand that.

The last time we were slow to recognize the aggressive pattern. This time let us be sure that what we do is large enough and soon enough to prevent world war III. Remember its seeds are already sprouting in the fertile fields in China.

Why does it make sense to spend billions of dollars in Europe on aid and on our foreign arms program for member nations of the Atlantic Pact?

What sense does it make to do that all in the name of containing Russia and at the same time ignoring Asia? I said Asia because the Soviet scheme does not stop with China. Remember this, if China falls, the other countries of Asia will



topple like bowling pins—Indochina, Burma, Malaya, India, and the next to go will be our islands in the far Pacific, which have become the outer rim of our defense.

We must draw the line now. We have nothing to gain by the appeasement and recognition of Red rule in China. [Applause.]

Moderator DENNY. Thank you, Senator Bridges. Now, gentlemen, will you join me up here around the microphone for a little discussion before we take the questions from the audience. Mr. Cobean, has anything provoked you to a question?

Mr. COBEAN. It has. Yes. I'd like to ask Senator Bridges, particularly, and also Admiral Cooke, if they're not failing to take a realistic view of the conditions in China. China has already fallen. China is in the hands of the Communist Party. We have a realistic condition there, and I maintain that if we fail to recognize the Communist government, we are abandoning the Chinese people and have no means of contacting them.

Senator BRIDGES. I think, Mr. Cobean, that's bunk—plain, undiluted bunk. They still have a Government in China. We still recognize that Government. They're still fighting on. [Laughter.] Remember, Mr. Cobean, that after—now, just a minute before some of you pro-Communists laugh out here [laughter]—that in World War II, and leading up to that, when France fell, when Belgium fell, when Holland fell, we didn't immediately recognize the Nazis.

No, what did we do?

We recognized the Government even when it was driven out of that country, when it was in exile.

Now I tell you today that we still have a Government in China fighting on, and I'm for anybody that is fighting the Communists and carrying on in this country. [Applause.]

Dr. FAIRBANK. Senator Bridges, I'd like to make peace with you. I'm not sure we have time right here now the way we're going, but I would like to raise one question. You say the government is fighting on. Why is it constantly retreating so fast that the Communists can't catch up with it? [Applause.]

Then another question comes to my mind. You have spoken very eloquently of how you dislike communism. I trust you will give Mr. Cobean and me the benefit of our assertions that we dislike it, also. [Applause.]

I trust you will note that we are devoting ourselves to the problem of how to deal with a Communist China, not merely to an eloquent description of its dangers to us.

So the question I would like to ask, Senator Bridges, is how do you propose specifically to support a thousand or more missionaries in China and all these other interests that we have there who are exposed to Chinese communism now and who need recognition to help them along?

Senator BRIDGES. When you talk about our missionaries in China and how we've got to recognize the Communist government of China in order to protect the missionaries, I think that you lose sight, Professor Fairbank, that when the Communists first come in they are tolerant, then they control, and then they subdue by any method within their power.

Now we have recognized and we do recognize Hungary, but what has happened to people like Cardinal Mindszenty and other people who are outstanding questions in a great country like Hungary? [Applause.]

I don't think that, if China comes under the complete domination of the Communists—which that section certainly will be, that is controlled today—we can hope for a great deal of their help in maintaining Christianity as we know it when the history and the records of the other Communist countries are such.

Mr. DENNY. Thank you. Dr. Fairbank?

Dr. FAIRBANK. To reply to that, Senator Bridges, on the one hand you want to fight the Communist menace in China. You described in great detail how your emotions are very combative toward it, which I am sure is the case with many of us. Now you want to fight it, you want to resist it. At the same time, you're willing to write off these thousands of American missionaries I have spoken of—write off all the other Americans who are in China in this exposed position, give them no support, give the whole game over to the Communists in China. Now how do you answer that? [Applause.]

Mr. DENNY. Admiral Cooke, do you want to take that on?

Admiral COOKE. No; I was going to ask a question after that.

Mr. DENNY. Let the Senator answer, then.

Senator BRIDGES. Well, the only difference between us—I don't want to give over China to the Communists.



Dr. FAIRBANK. Not at all.

Senator BRIDGES. Yes, you are; you're in favor of giving it over in order to protect the missionaries.

Dr. FAIRBANK. I'm sorry.

Senator BRIDGES. Well, we differ. I recognize that communism is an international conspiracy, and a Communist looks the same to me no matter where he comes from, and I recognize the pattern is the same in all these countries. I'm not going to be fooled by what is going on in China today. [Applause.]

Mr. DENNY. As I understand it, Dr. Fairbank, you think that the best interests of the missionaries and the American businessmen over there would be served by recognition, and Senator Bridges thinks that the best interests will not be served by recognition, is that right?

Dr. FAIRBANK. Yes: I'd like to say more on that in a moment.

Mr. DENNY. Well, let's get Admiral Cooke in on this discussion. We haven't heard from him yet.

Admiral COOKE. Well, I want to address this question to Dr. Fairbank—with regard to the realities of the situation. The white paper has been praised by Dr. Fairbank, and I guess he considers it pretty good. This is the recognition of the Secretary of State of the situation in his letter of transmittal of the white paper.

He says this " \* \* \* the Communist leaders have foresworn their Chinese heritage and have publicly announced their subservience to a foreign power—Russia—which, during the last 50 years, under czars and Communists alike, has been most assiduous in its efforts to extend its control in the Far East."

Now the Japanese established a puppet regime in Manchukuo. The Japanese established a puppet regime in China itself. We did not recognize it. We went to war about it.

Now the Secretary of State says, in effect, that the Russians have established a puppet regime in China. Are we, then, to call on the people of the United States, who sacrificed everything to oppose the Japanese puppet state in China, to now recognize the Russian puppet state in China? [Applause.]

Dr. FAIRBANK. Admiral Cooke, may I say that I think the white paper that Mr. Acheson put out, which you can get for \$3 from the Superintendent of Documents in Washington (1,000 pages), was a great vote of confidence in the democratic process in this country. Now on the question you've raised: The white paper says that the Chinese Communists are pro-Russian. Does it say that they are puppets? Have you perhaps expanded the idea?

Aren't we up against the situation where the Chinese Communists are definitely in the Russian camp and will play along with the Russians, and yet they have only just come into power in China, and the Chinese people who can be led by these Chinese Communists are still not communized, and we still have a foot in the door?

Now, of course, the example of Eastern Europe is extremely discouraging. In Eastern Europe, we haven't been able to prevent the completion of this communization process. In China, perhaps we have a chance, and we ought to take that chance. We've got to play for that chance. What else can we do?

Who wants to go there and fight? If we're going to fight, let's go fight the Russians. There's no use fighting in China. It's a mess you can bog down in. If you're going to attack this Chinese Communist regime, you've got to do it with nonmilitary means. [Applause.]

Mr. DENNY. All right, thank you. One more question. Yes, sir?

Senator BRIDGES. Mr. Cobean says that we should sign a treaty with China in order that our rights might be protected. Now we have recognized Russia, and I just want to ask you, Mr. Cobean, how you think Russia respects our rights and whether we'd get the same kind of treatment from the puppets as we do from the mother country?

Mr. COBEAN. Senator, my opinion is that we would get a much fairer treatment from the Chinese people than we get from the Russian people. At least, we would be on a basis where we could talk to them, where we could exercise not only our arguments, but we can also put pressure on them, if we have recognized them. If we have not recognized them, we are isolating them; we are out of contact with them, and we have no means of approaching them. That's my contention. [Applause.]

Mr. DENNY. All right now, while we get ready for our question period, we have a special message for our listening audience.

ANNOUNCER. From historic Town Hall in New York City, the American Broadcasting Co. is presenting America's Town Meeting of the Air. Our subject



is, "Should we recognize the Chinese Communist government?" Our speakers include Dr. John K. Fairbank, professor of history at Harvard University; George G. Cobean, president of one of America's largest paper-manufacturing companies; Senator Styles Bridges, Republican, of New Hampshire, and Admiral Charles M. Cooke, Jr., United States Navy, retired, who commanded military forces in China in 1946-48.

Tonight's program will be published in full in the Town Meeting Bulletin, and you may secure a copy by sending 10 cents to Town Hall, New York 18, N. Y., requesting the discussion on China. Please send 10 cents in coin, not stamps.

By the way, here's a suggestion for your Christmas list. Why not subscribe to the Town Meeting Bulletin for your friends? The subscription rate is \$4.50 per year. If you will send your gift subscriptions directly to Mr. Denny, he will write a personal note to the person you designate saying that the Bulletin is coming as a Christmas gift from you. This applies only to gift subscriptions on a yearly basis—52 issues of the Town Meeting Bulletin for \$4.50. Send your remittance and the name and address of the person you wish to receive the Bulletin directly to Mr. Denny, Town Hall, New York 18, N. Y.)

Our Town Hall audience is now ready with the questions, so for our question period, we return you to Mr. Denny.

#### QUESTIONS, PLEASE!

MR. DENNY. We start with a question from the balcony, the gentleman upstairs.

MAN. Mr. Cobean, I have a question: How does life of the Chinese differ under the Communist government compared with under the Nationalist Government?

MR. DENNY. How does life differ under the Communist regime than under the Nationalist?

MR. COBEAN. Well, I could not answer that question because I have not been in China since the Communists have taken over. I was there this time last year when the Nationalist Government was still in charge. I couldn't answer that question.

MR. DENNY. Thank you. Anybody care to answer that up here on the platform? If not, we'll take the next question.

MAN. I state my question to Senator Bridges. Do you think that this Chinese government, so recently born, will eventually become another Russian satellite?

SENATOR BRIDGES. I certainly do. Yes.

MR. DENNY. Thank you. The lady over here.

LADY. Dr. Fairbank, how is Communist China different from the U. S. S. R., Spain, Argentina, Poland, Portugal, or Czechoslovakia in totalitarianism?

MR. DENNY. Dr. Fairbank. How does it differ from all these countries in totalitarianism?

DR. FAIRBANK. Well, it's different in being Chinese. Also, totalitarianism can be in many countries. Democracy in Britain is different from democracy in the United States, I suppose you would say. Totalitarianism in China is trying to get its feet on the ground. The Kuomintang was totalitarian behind a facade of democracy; the Communists behind a facade of democracy are also totalitarian. They're doing what they can.

Our need is to get in there to support our people. That's why I'm talking about recognition. I assume you're referring to that. [Applause.]

MR. DENNY. Thank you. The gentleman in the balcony.

MAN. Admiral Cooke, as commander of the Asiatic Fleet, what do you believe would be the effect of recognition of the Chinese Communists on our strategic position in the Pacific?

ADMIRAL COOKE. I consider that that's a very important question. We haven't touched upon it. Before the Russians moved out of Siberia they were in a vulnerable position in the Far East. When they took over Manchuria and China they were in a position to develop a self-sufficient agricultural, industrial, and military economy. Furthermore, they are in a position to provide submarine bases, not just out of Vladivostok and the Vladivostok region and, possibly added onto that, Dairen and Port Arthur, but all along the coast of China.

Now everybody knows that the best way to stop submarines is to stop them at the bases they are going to start from. You people here in New York who were short of fuel oil in 1942 and 1943 would not have been so short if the German submarines had been confined to the North Sea. Instead of that they expanded to Norway and to France, and it was impossible to stop them from going across the Atlantic. That's the position that we face in the Pacific. We have the strategic responsibility for the Pacific. [Applause.]



Mr. DENNY. Thank you, Admiral Cooke. The gentleman in the balcony.

MAN. My question is to Senator Bridges. I import from Communist China and pay dollars with which they buy oil, tools, etc. This is fine for me. Is it good for America?

Senator BRIDGES. No; it's not good for America. These dealings that we have take me back to the days of the scrap iron and steel, when we were sending them to Japan. [Applause.] Let me talk just a minute on that. Professor Fairbank said about some of the Republicans coming lately to this China policy. In 1937 I introduced a resolution to prohibit the shipment of scrap iron and steel to Japan [applause], and, if it had been adopted, thousands of American boys wouldn't have lost their lives when the Sixth Avenue elevated remnants of scrap iron came home to them in bombs and shrapnel at Pearl Harbor and in the other islands of the Pacific. [Applause.]

Mr. DENNY. Thank you. Dr. Fairbank has something on that.

Dr. FAIRBANK. May I just comment on that, Senator Bridges, if you had, in 1947 and 1948, voted against giving further military aid to Chiang Kai-shek, whom we all knew, if we knew anything, couldn't win his civil war because he was too incompetent—if you had voted against giving that extra military aid, the Chinese Communists today would not have the best-armed Chinese Army in Chinese history. [Applause.]

Senator BRIDGES. I not only voted for that, I helped sponsor it; I'm proud I did, I'd do it over again. The reference you made, "if anybody knew anything, they'd know that"—well, of course, we've got to excuse that as coming from Harvard. [Laughter and applause.]

Mr. DENNY. Admiral Cooke. Admiral Cooke has a comment.

Admiral COOKE. Let me say this, that we armed or started to arm 30 Chinese divisions to fight the Japanese. They fought the Japanese for 4 years without any help and 4 more years without very much help. In 1946, these arms that the United States had furnished these divisions to fight the Japanese were not allowed to have any ammunition. We declared an embargo on it. At that same time and on the reports of the Embassy in Moscow, the Russians were arming the Communists in Manchuria, not only with arms but with ammunition. [Applause.]

Mr. DENNY. Thank you. The lady here in the center. Yes?

LADY. Mr. Cobean. This is a woman's question. The wife of the British consul general in Shanghai is a friend of mine. I have not been able to get a letter from her in over a year. Her first letter to me came out with an American air-mail stamp on. It was smuggled out of Shanghai. Her instructions to me to write her are to send my letters to Government House in Hong Kong and it will be smuggled in to her.

Why, when the Communist government in Shanghai will not permit recognition of the British consul general in the consulate in Shanghai, why should we recognize the Reds when they won't recognize a stable government like that and permit them to have their mail go out?

Mr. COBEAN. This may not be an answer to your question, but I'll say that one means of securing interchange of mail would be recognition of the present Chinese government, so that it would then have stamps and be recognized as a member of the international postal union and mail could then come out. Today it cannot. [Applause.]

Mr. DENNY. Thank you. Admiral Zacharias has a question.

Admiral ZACHARIAS. Addressed to Admiral Cooke. Every one of our military leaders on shore has pointed out the futility of trying to get Chiang Kai-shek to go along with our ideas and do something for the Chinese people. Why should we sit on the sidelines of a desperate, hungry China with a bear at the door, when we've demonstrated the effectiveness of driving a wedge between Communist Yugoslavia and Moscow?

Admiral COOKE. Let me point out the sequence of events. In Europe, we gave help to Greece. There weren't as many guerrillas in Greece as there were Communists in China, but we gave help to Greece. We gave help to Italy. We had an Atlantic Pact and a Marshall plan. We demonstrated resolution; we demonstrated strength. It was after that that Tito decided he could successfully withstand Moscow.

Now if we demonstrate the same resolution in China and the Far East, I think possibly, at some future date, we may have some success there, but I don't think it's very probable.

Mr. DENNY. All right. Dr. Fairbank, do you want to comment?

Dr. FAIRBANK. Well, could I just ask Admiral Cooke what positive steps does he advocate? I asked that before but neither he nor Senator Bridges answered it.



Mr. DENNY. What positive steps do you advocate in this connection? I think the whole discussion centers around, is it possible that Communist China may turn out to be a Tito ally of Russia?

Admiral COOKE. I don't think, as I said, that's very probable. I think that we should demonstrate, assert, state our support of all those who oppose communism, as we did in Europe, showing that we mean business out there. I don't mean to send divisions out there, but take a positive stand. Then those in Communist China who are not Communists, or dissidents, will have a rallying point. I don't think we can convert the Mao Tze-tungs and the Chu Tehs. Not possibly. They are Moscow-trained Communists and they are disciples of the Cominform. But those who oppose it, those who want to go our way, who want to practice freedom, then they will have a rallying point. [Applause.]

Mr. DENNY. Thank you. All right, Dr. Fairbank.

Dr. FAIRBANK. That sounds, Admiral Cooke, as though you would like to have continued contact with the Chinese people.

Admiral COOKE. I think that everything we've experienced in Europe with the countries that we have recognized there proves that recognition is not going to bring contact with the Chinese people behind the curtain. [Applause.]

Mr. DENNY. All right, now. This question from the lady on the aisle.

LADY. Dr. Fairbank, do we not give more encouragement to the people of China to throw off the power of communism by not recognizing the Communist Chinese government?

Dr. FAIRBANK. No, I don't think so. I think we have to maintain contact with them as best we can. At present, we are in contact. I think we've got to keep that up as much as we can. Recognition, I think, will help.

Could I just add something? Mr. Bridges and I have been sort of throwing remarks at each other and I would like to say I'm not—I just work at Harvard University—I don't represent it. [Laughter and applause.]

Senator BRIDGES. I'm sure there's no real reference, Professor Fairbank, to Harvard University. It was just that the word "no," I thought, might be taught a little more frequently there. That's all—no personal element in it.

Mr. DENNY. All right. Why don't we toss this one around? Senator, will you and Mr. Fairbank come up here, because I'm confused. I'd like to have you all straighten us out on this.

Now, these people on my right over here, Dr. Fairbank and Mr. Cobean, maintain that recognition would mean contact with the Chinese people. You and Admiral Cooke seem to think that that would not. Will you just straighten us out on that? What is your opinion of this particular question, because that's what we're discussing tonight—the recognition of the Chinese Communist government. Will it give us the contact that we want, or will it not?

Senator BRIDGES. Well, my statement, Mr. Denny, is that there are two very concrete things it will give us. It will give us another veto to work beside Russia by adding the Communist vote to the Security Council of the United Nations. That's one great contribution it will make to the world, is to give that.

The second, it would provide the Communists in control of every diplomatic office of Communist China all over the world and give them an avenue for feeding out Communist propaganda and gathering information. Those are the two very tangible things that we would gain from the recognition of Communist China, which I don't want to see.

Mr. DENNY. All right, Dr. Fairbank. Yes, sir.

Dr. FAIRBANK. Those are, of course, two points to take into consideration. Now consider what they mean. A second veto is no more of a veto than a first veto. The Russians can veto any time they want to. [Applause.]

Second, take a look at this proposition of Chinese diplomats coming abroad. The chief trouble with the Chinese Communists in their minds now is that they don't know anything about us. They are befogged with all this Marxist propaganda and stuff that they have been taking in and putting out for all these years. A little contact with us in this country might open their minds, not to make them non-Communists by any means. I don't think there's hope of that. But it would give them more sense of reality.

Now, for example, what do Chinese Communists tell themselves today in their own propaganda? They say we're having a tremendous depression in this country. Why? Because Marxism says there must be a depression in this country.

They don't know the facts here; they don't have contact with us. If they had diplomats here, they might find out some of those things. [Applause.]

Senator BRIDGES. Dr. Fairbank, do you think that if they should be recognized that they'd tell the truth any more? Isn't it the record that in every Communist



country on the face of the globe that the thing that they do is to lie and spread misinformation and propaganda? Would you see a sudden change of face or front, if we recognized them? [Applause.]

Dr. FAIRBANK. No, I don't. I think they'd keep right on lying. My point is they'd lie a bit more realistically. [Laughter.] They'd know what the situation was, they wouldn't make mistakes based on misinformation in their own minds. These are the Communist leaders I'm talking about.

Mr. DENNY. Now, while our speakers prepare their summaries of tonight's discussion, here's a special message of interest to you, our listeners.

ANNOUNCER. Our four speakers will summarize their viewpoints in just a moment. Two weeks ago we asked you to suggest your favorite topics for future discussion on Town Meeting.

Our mail has been so heavy that it would be impossible to acknowledge each and every suggestion, but we do want you to know that we are most appreciative of your interest and we received many worth-while ideas. Mr. Denny and his associates thank you for taking the time to write.

We are always glad to have your comments on each program and we're anxious to know what subjects and speakers you like to hear on Town Meeting—your Town Meeting.

Your letters of comment after each discussion serve a useful purpose. All our mail is analyzed for listener reaction. It gives us an indication of what a representative cross section of the American public thinks about the particular topics and it helps us to plan future subjects. We look forward to hearing from you. Address your comments on tonight's program to Mr. Denny, in care of Town Hall, New York 18, N. Y.

Now for the summaries of tonight's question we return you to Mr. Denny.

Mr. DENNY. Our first summary comes from Senator Styles Bridges.

Senator BRIDGES. We've heard the proponents of Red China. They've misstated the facts, attempting to make it appear that the decision in China has been reached and that it is final. They have advanced not a single principle on which the United States might be guided in recognizing Red China. They have, however, mentioned convenience and expediency.

They want to commit the United States to recognize Red China for the benefit of a few hundred businessmen of selfish interests and missionaries trying the impossible to maintain Christianity in a Communist police state. [Applause.]

Mr. DENNY. Thank you, Senator Bridges, Dr. Fairbank.

Dr. FAIRBANK. Mr. Denny, I feel like saying just the opposite of everything that Mr. Bridges just said about me and Mr. Cobean. We're not proponents of Red China. We have heard Senator Bridges and Admiral Cooke say "No, no" about recognition, but we haven't heard them say "Yes, yes" about anything else. If they're against communism like the rest of us, what are they for, as a constructive policy? They haven't said. Of course, any soft-minded, overfriendly appeasement of Chinese Communists is useless. We know that. We must try to maintain contact with the Chinese people on a basis of hard bargaining with the new government. For this hard bargaining and continued contact, recognition is a necessary, practical first step. [Applause.]

Mr. DENNY. Thank you, Dr. Fairbank. Now Admiral Cooke.

Admiral COOKE. The record shows that a recognition of the Communist Chinese government will serve no useful purpose in our relations with China. It shows on the testimony of all concerned that the Communist regime is a Russian puppet regime. Its recognition would greatly strengthen the onward march of communism toward world conquest and would spread dismay among freedom-seeking people who depend on the United States for strength and leadership. [Applause.]

Mr. DENNY. Thank you, Admiral Cooke. Mr. Cobean.

Mr. COBEAN. In voicing their condemnation of communism, I assure our opponents that my colleague and I have no quarrel whatsoever. However, it is my humble opinion they have missed the point under debate and have failed to take a realistic view of the present Chinese situation. For reasons obviously beyond our control, the Communistic Chinese government has gained control of practically all of China and is the only government with which we can now deal for protection of the persons and property of American citizens in China. [Applause.]

Mr. DENNY. Thank you, Mr. Cobean, Admiral Cooke, Dr. Fairbank, and Senator Bridges. Well, my friends, you see that this is a very complex and complicated subject, and we have had both sides ably presented by our four speakers. This is one of the most vital questions before the American people today.



The State Department had announced through the press that this Department is deeply interested in knowing the views of the American people. We would like to present them with the views of Town Meeting listeners all over this country who have heard both sides, so we suggest that you sit down tonight and write a post card, a telegram, or a letter, and let us know what you think. Send these letters, telegrams, and post cards to Town Hall, New York 18, N. Y. That's all you have to remember, Town Hall, New York 18, N. Y. We'll tabulate the results, indicating from whence came your wires and telegrams and letters. We'll let you know what the results are if you send in your response before next Wednesday. We urge you to do it now, for we cannot count letters that reach us after Wednesday.

Next week we'll discuss another very debatable question, "Is our present policy toward Western Germany sound?" Our speakers will be Dr. James K. Pollock, professor of political science of the University of Michigan; Dr. Edward H. Litchfield, former Director of Civil Affairs in the American military government under Gen. Lucius Clay; Charles M. LaFollette, national director of Americans for Democratic Action; and Telford Taylor, attorney and Chief of the Council for War Crimes at Nuremburg.

So plan to be with us next week and every week at the sound of the crier's bell.

Mr. MORRIS. What was the date of your Town Hall discussion?

Mr. COOKE. I have the original booklet sent out by Town Hall, which is complete, and then I had made a copy of the excerpts of my own remarks. Probably you would rather have this.

Mr. MORRIS. Put the complete one in.

What were some of your reactions after returning to Formosa, after retirement from active service?

Mr. COOKE. My chief concern, as I think I testified to before, was to assist in any way I could to prevent the fall of Formosa and in connection therewith of course to prevent the recognition, forestalling any recognition of Communist China. But in addition I learned that many reports were coming here to the Government in Washington of the imminent fall of Formosa from internal action.

These reports became known to me as a retired naval officer, but when I got to Formosa later they were repeated to me by the members of the press practically the same as I knew from reading them.

I had not disclosed them to anybody because they had come to me in a sort of confidential way. However, I considered that they were incorrect. They were founded on incorrect information, based on my knowledge of the situation, on reports I had received from others.

So in order to satisfy myself and to guide my own actions, whatever I could take, I decided to go out to Formosa. When I got to Tokyo I talked to the people in the Seventh Fleet, and in General MacArthur's headquarters, and in the Seventh Fleet I got the same general kind of report, but they admitted none of their own intelligence people were in Formosa—and the same thing by the intelligence staff of General MacArthur.

So when I got on Formosa I found out that the reports were incorrect, and from what I could gather, founded on reports of various individuals that set forth certain points of view which may have been favorably received, the kind of view that they wanted to be expressed. Anyhow, they did not represent the situation.

There was not any prospective revolutionary action there that would overturn the Government, so far as I could discover, and I talked with people of various kinds. I got some reports along that line, but they apparently indicated the views of certain groups who either advocated independence of the Taiwanese or who may have had malicious reasons, being guided by Communist propaganda.



At that time I was representing International News Service, and I was sending back both features and news reports to refute intelligence reports that had come in. About December, before I went out there, all the Americans had been warned to leave Formosa because of the danger it was going to fall very shortly.

Then in May of 1950 another warning went out, which I will describe later as to what led up to it, warning all to leave Formosa, including myself, and all the women that were in the employ of the United States Government were directed to leave, either to proceed to Saigon in Indochina or to Korea.

Now these had come from reports which I knew were not correct. I was in a position to know it, and I did know it. Before that I had gone to Hainan when Hainan fell, and when I got back I got hold of our military and naval attachés and gave them the picture of what had happened there and they accepted it without attempting to refute it. It seemed to meet their views.

Then a month later it became evident there that if the Chinese did not evacuate the Chosen Archipelago, which they held in considerable strength off the Yangtze River, a very serious debacle would be likely to take place caused by the attack of the Communists, which would in all probability cause the loss of Formosa itself.

This was caused by the fact that the Russians working with the Communists had established airfields around Shanghai, brought in various kinds of planes, included jets, of which there was positive information. There were about 10 airfields in that area opposed to one Nationalist airfield in the Chosen Archipelago, and in some places the opposing islands held by the opposing forces were only a few thousand yards apart, a very dangerous situation.

The Nationalists had about 125,000 troops there. They decided to evacuate them before a debacle did take place and could take place, and they did it without anybody having knowledge of it beforehand. They did not lose any troops. They did not lose any equipment. And they retired this force, which about doubled the strength of the forces in Formosa itself.

Shortly after they got back the group there of United States military attachés and diplomatic representatives were presented information that a debacle had taken place there, that many troops had been lost, and much destruction, which was entirely incorrect. They also got a report and considered it accurate that the Nationalist forces had been withdrawn from the island of Kinmen, which was just off Amoy, where there were about 60,000 troops that had been withdrawn, and therefore Formosa would fall probably before the 15th of July.

This was supposed to be a secret meeting, but somebody got information of it, including some of the press representatives, and passed it on to me, and I asked the attachés to come around, and I would give them the picture.

I told them it was evident to me that they had a very bad source of information, maybe malicious, maybe just wrong, but anyhow certainly incorrect, that no debacle had taken place in Chosen and that Kinmen was not being evacuated. They did not choose to believe this, and they carried out the recommendation and warned Americans to leave there. They just said I was wrong.

So I wrote then myself a letter to the Chief of Naval Operations to tell them what had actually occurred. There again my view is that a situation was set up in which the very dangerous, critical condition that existed must have come to be believed by the Government here, and I don't say all of it wasn't honestly believed. I think they had very poor informants.

Now Kinmen has not been evacuated yet, much over a year later, never was evacuated, but they reported that such an evacuation had taken place. So that having all happened just about a month before Korea, there must have been in the minds of the United States Government a view of the situation there which in my mind, knowing as I did, was not true.

Mr. MORRIS. In this case you just cite the effect of that misinformation is to weaken the place, is it not?

Mr. COOKE. Very much. Of course, when you order evacuation of a place like Formosa, which is under threat of attack, it weakens the confidence of the people in the government, and it weakens the confidence of the people on the mainland who are resisting.

Now we can take parallel cases. For instance, Tassigny, the French commander who arrived in Indochina, immediately countermanded an order previously issued for all the foreign nationalists, including particularly the women, to be evacuated from Hanoi, this in order to strengthen the ones who were resisting communism. I was confronted with the same situation in Tsingtao when I was there. Several times there was urging for us to evacuate our people from Tsingtao, which I said will just weaken the Nationalist Government if we do it, and I don't think we have to do it now, I don't think a dangerous situation exists. Actually it didn't exist at that time, and we continued on for about a year and a half or so longer.

Mr. MORRIS. Is this misinformation uniformly of a certain bias?

Mr. COOKE. The misinformation that confronted me there, yes, but I should add, Senator, that sometimes that kind of information tends to be magnified by those who take counsel of their fears. You see a situation, imagine what the enemy can do, and they tend to magnify it in their own minds as to what can take place.

We have seen that happen in Tsingtao and also down there in Formosa.

Mr. MORRIS. Admiral Cooke, do you know anything of the guerrilla forces that are operating on the mainland of China?

Mr. COOKE. Yes; I have quite a bit of information. The guerrillas there are both what you might call semiorganized and some that are more distant that there is not much contact with. The actual number it is impossible to say exactly. I would say there are between 500,000 and 1,000,000 with whom there is a certain amount of contact and quite a number otherwise.

Now there is a certain amount of inflow and outflow in the guerrillas. Some guerrillas are better than others. A great many of them are just determinedly against communism. They are having difficulty now because of the very drastic countermeasures that were set up about February or March of this year following the Chinese Communist attack on Korea.

The Communists have set up militia and quite a number of regular troops to suppress the guerrilla movement. Right now the execu-



tions are mounting up in the hundreds of thousands, even by the reports of the Communists themselves.

They have two very important reasons. One is that anybody that is possibly a sympathizer, who may oppose the Communist ideology, who may help the guerrillas, is included in a group, and so in order to be sure to get rid of those who might be dangerous they will execute maybe 10 times that number, a much larger number, in order to get anybody that could possibly oppose communism.

Another reason for the method of doing it has to do with possible future enemies. In other words, they will take a man whom they want to execute or a hundred men they want to execute, varying numbers, and they will bring them before a people's court, and they will get them all steamed up and ask them whether this man or this bunch of men should be executed, and they all yell, of course, to kill him, execute him right away. They, the people, don't dare to do otherwise.

Then when they have done that, these people that have executed them are less likely to defect over to the Nationalist side because they have already helped in the execution of some Nationalists or Nationalist sympathizers.

So that this suppression that is going on now and has been going on for quite a number of months is having quite an effect.

Now there are more people turning against communism all the time. The Communists are destroying their family life and everything like that on the one hand. On the other hand, the starvation, the fear of death, holds the people in line.

MR. MORRIS. May I ask you how you know these things?

MR. COOKE. I have gotten them from various sources. I can't reveal the sources, but they are fairly authoritative.

SENATOR WATKINS. You regard them as being authentic?

MR. COOKE. That is right. This has been coming to me over a long period of time.

MR. MORRIS. You learned these things on Formosa?

MR. COOKE. Yes, and a great deal of it is confirmed by the Communists. The number of executions and the use of people's courts are all confirmed by the Communists. I have known about them before, but there have been many times they have been publicized deliberately.

Another thing they do, they don't want the farmers or Chinese populace to give food to the guerrillas, so they put the food in depots and to each family they will issue enough food for maybe 2 or 3 days. Of course they can always withhold it.

These methods are rather effective, all right. They are very hard. But that is going on.

Now the guerrillas, particularly in the eastern provinces, have to divide into rather small groups in order to protect themselves. In the western provinces they are in larger groups. You probably read recently where there was a group that moved up from Burma and took part of Yunnan. That was a large group. Whether it will be successful there is a doubt, but anyhow that is all going on.

Now if there is a cease-fire and the number of Communist troops can be augmented, the number that are suppressing guerrillas, then the suppression will become very much more effective and much more severe.

Senator WATKINS. Do you mean that the cease-fire in Korea will release a lot of Chinese troops?

Mr. COOKE. That is right.

Mr. MORRIS. Admiral Cooke, do you know whether or not the Chinese forces are now conducting raids on the mainland?

Mr. COOKE. I am practically positive that they are not. That is contrary to the arrangement that was made when the Seventh Fleet was put in the picture shortly after the beginning of the Korean war. There are raids that take place from islands occupied by guerrillas on to the mainland, by guerrillas. So far as I know, and I am fairly positive that it is correct, there are no raids by the Nationalist forces.

Mr. MORRIS. Why is that?

Mr. COOKE. Well, that is included in the arrangement of putting the Seventh Fleet into the picture of neutralizing China. It is also precluded now by the equipment that is going out there, or is intended to go out there, for the official group, for being used for any purpose other than the direct defense of Formosa.

Mr. MORRIS. And to conduct such offensive operations is not considered a part of the defense of Formosa?

Mr. COOKE. Defense, yes.

Mr. MORRIS. Such offensive operations are not considered a part of the defense of Formosa?

Mr. COOKE. That is right. Now, the Nationalists occupy three islands. Well, they are all fairly strategic. Kinmen Island, off the harbor of Amoy, which is right opposite Formosa, which prevents the build-up of an invasion force in that port.

Then they also occupy an island off Foochow and one off further north of Wenchow.

Now those islands have been occupied by them right along, and when Formosa was neutralized, the neutralization was extended to include the Pescadores. But so far as I know nothing special was done regarding these outlying bastions which are, of course, part of the defense of Formosa.

Mr. MORRIS. Now, Admiral Cooke, are any Chinese troops sent into Korea at all?

Mr. COOKE. No, no troops going to Korea.

Senator WATKINS. You mean Nationalist, do you not?

Mr. COOKE. Nationalist troops, yes. Nationalist troops, you mean?

Mr. MORRIS. That is right.

Mr. COOKE. No, none have gone.

Mr. MORRIS. Have the Chinese volunteered to send any to Korea?

Mr. COOKE. Yes. Of course, that is a matter of public knowledge, and they offered to send them there a few days after the war broke out.

Mr. MORRIS. Yes. Well, I am asking you, Admiral Cooke, if you have any special knowledge since then.

Mr. COOKE. Except this: That they had it under immediate consideration as soon as the news of the invasion of Korea took place. The actual offer was made that week, I think a few days later, and after the Seventh Fleet was put in the picture.

Mr. MORRIS. Admiral Cooke, do you think that Chinese forces should be sent to Korea?

Mr. COOKE. Very much so, for a number of reasons. Would you like for me to—

Mr. MORRIS. Yes; I would like you to recite them, Admiral.



Mr. COOKE. Well, the first is that I consider that China is a proper member and a faithful member of the United Nations, and should support the opposition to aggression in Korea, which was a continuance of the Russian aggression in China itself.

Secondly, I felt that it would very much improve the efficiency of the Chinese troops.

In other words, I feel, and I suppose most of us do, that the efficiency of our own divisions will be doubled or certainly very much increased by the war experience. Of the Chinese Army, there were the three divisions which were offered to be sent up there, and had they been up there during this time, or had any experience up there, it would improve very materially their capability of defending Formosa itself.

In other words, we are now spending money to improve the defense of Formosa. We would probably double the effectiveness of their defending army if we had had some Chinese troops, say of the strength of an army, about 30,000 men—in Korea during this period.

There was another thing that bore on the subject. When the question was being considered of offering troops to go there, there was doubt expressed among Chinese and, I suppose, among the people here—I was in Formosa at the time—that it might bring the Chinese Communists into the Korean war. It was my view—to those Chinese I talked to, and I stated it—that I didn't think it would have any effect on it whatsoever.

If the Chinese Communists were going in—they were moving troops up there anyhow at that time—it would take place regardless of what the Nationalist troops did.

Well, the offer was made; and, of course, it was not accepted. One other aspect that developed after the Chinese Communists did come into the war, in late November, was that this would be the means to encourage disaffections from the Chinese Communists back to the Nationalist side, because some of them had previously been Nationalist troops, among other things.

Mr. MORRIS. It would be a greater inducement to surrender to a Chinese troop than an American?

Mr. COOKE. That is a matter of speculation, but it is a view that was shared by most people.

Mr. MORRIS. Mr. Chairman, have you any questions?

Senator WATKINS. I am wondering if there is any reason why he cannot tell us what the present situation is in Formosa with respect to these Nationalist troops.

Mr. COOKE. Well, that question was asked, in part, this morning.

Senator WATKINS. It is regretted that I could not stay all morning.

Mr. COOKE. Well, in part, I felt that I probably shouldn't answer that. The United States is sending equipment out there to reinforce the strength, and just what equipment they are sending and how strong it is, I thought, maybe, was a confidential matter of security, and I should not touch upon it.

Senator WATKINS. I would not insist upon it.

Mr. COOKE. But I would go on to say this: That the troops have very fine spirit. There is no question about that in my mind; they are good fighters. Their equipment, of course, has got to be reinforced.

The British, for instance, left the mainland at Dunkirk and didn't take much equipment with them. The Chinese, coming over to For-

mosa, did take more with them, but still they didn't have enough anyhow, and they didn't get it all over there, and so they are deficient. Their organization and training can be improved. It is improving, but it needs more improvement. Our people are engaged in doing that, as some of my group were beforehand.

Senator WATKINS. Is it not, as a matter of fact, the largest group of anti-Communist forces in Asia?

Mr. COOKE. I think so.

Senator WATKINS. That is from outside of the United Nations?

Mr. COOKE. Yes; definitely.

Senator WATKINS. The regular troops.

Mr. COOKE. Yes; a very large group. The fighting spirit of the men is very good. The caliber of the leadership, in which they have been deficient in the past, is improving, and so they have a very fine force, a very fine body of men, I think, which, with certain amount of war experiences, such as in Korea, or maybe reactivation on the mainland, would come up to a very high style. It will not be the same as an American division; no, but they will be as good as the Communist divisions.

Senator WATKINS. Do you believe that we should have an American Ambassador to the Nationalist Government in Formosa?

Mr. COOKE. I believe that very much would improve our United States position, and the position of the free world, and the Chinese very much. Now, the American Ambassador to China was Mr. Leighton Stuart. He came back here when the mainland fell, and whether or not he is still Ambassador technically I don't know. Of course, I have been away, and I don't get all the news. I think there should be an active Ambassador out there.

China is a present member of the Security Council of the United Nations, and as long as it continues in that, and we wish to support it, it would have a tremendous moral effect on the people in Formosa and on the mainland if we had an Ambassador there.

Now, our representative there is a Minister, Mr. Rankin, and a very good man. This is no reflection on him. But there should be somebody there with the rank of Ambassador.

Senator WATKINS. What about the natives in Formosa; are they more or less loyal now or in support of the Nationalists?

Mr. COOKE. I would say almost completely very loyal.

Senator WATKINS. There is not any counterrevolutionary movement?

Mr. COOKE. No. Up in the mountains there are around 170,000 or 200,000 aborigines who used to cause the Japanese quite a bit of trouble. Even they are very loyal to the Government; and the Taiwanese—I have testified to that this morning—are now occupying positions in the Provincial government and in the city government. That is something that they never did before. They are quite loyal.

Now, there are some groups who left Formosa, and a certain small cell of them, you might say, in Japan, who still advocate independence of Formosa. But I don't think that represents very much of a section of the population.

Senator WATKINS. How are the people getting along with their economic situation?

Mr. COOKE. Well, they are doing very well, considering. However, with an island that is only 14,000 square miles, say one-twelfth of the



size of California, supporting troops which we can put in rough numbers at one-half million, and a national government, the pressure on the economy is terrific. The United States has been giving them help with ECA, which has been very well conducted and it has been very important to their continuance.

The help of the ECA has increased very much during the last year. Before that it was not very great because of the reports that Formosa was going to fall all the time; because of them, there was nothing in any capital or replacement assistance which was extended. Some of that is now being done. So that we are supporting the economic situation in Formosa—that is, the United States—and it is very important that we do at least as much as we do, and perhaps a little more.

Senator WATKINS. What is the food situation with respect to native production?

Mr. COOKE. The rice production is very good. They produced last year and this year about 1,500,000 tons of rice, which gives them some to export, and the sustenance as regards rice of the troops and the populace is very good.

You see no beggars in Formosa. But, for meats and fish and things of that kind, it is not too good—a little bit under, particularly for the troops. They could take a little bit better nourishment than they are getting. The populace in general are well fed.

Senator WATKINS. How does the Generalissimo stand with the people there?

Mr. COOKE. The Generalissimo stands very high with the people. He is the only man that can tie the thing together as far as I heard anybody ever try to point out. There are certain of the people that work for him who are not too highly regarded; but, on the whole, he has the best assistants that they have had during my experience. It could be better, but the Chinese culture is not one which develops leaders like we develop them; so, there are not too many to call that are really efficient.

I think it could be improved somewhat. It has been improved somewhat already, but they need guidance and help from us. They are getting some and probably need some more.

Senator WATKINS. Do you think that a change in the leadership would help some over there?

Mr. COOKE. There could be no change, so far as I know, in the top-side leadership.

Senator WATKINS. That is what I am referring to, the top-side.

Mr. COOKE. I don't think so. The Generalissimo is a very able man, in my opinion. He is not what you would call a modern Chinese. Some of them are extremely modern and westernized. He is one that can tie the people who are coming along a little bit more slowly to the people who are going along a little bit faster. It would be better, I think, if he were a little more westernized, but he is an able man and the only one who can take the job now.

Senator WATKINS. You are acquainted with him personally?

Mr. COOKE. Yes.

Senator WATKINS. How long has it been since you left Formosa?

Mr. COOKE. I left there Tuesday.

Senator WATKINS. You were there for a rather extended stay this last time?

Mr. COOKE. That is right.

Senator WATKINS. Did you have an opportunity to freely observe and make investigations as to what was going on?

Mr. COOKE. Yes.

Senator WATKINS. Were you hampered in any way at all?

Mr. COOKE. No.

Mr. MORRIS. Is your testimony today, Admiral Cooke, based on your recent 20 months' tour in Formosa and your previous experience in the United States Navy as chief of staff to Admiral Ernest King and head of the China fleet?

Mr. COOKE. That is right.

Mr. MORRIS. I have just one more question, Admiral Cooke. At the present time are the Formosans being armed?

Mr. COOKE. Being armed?

Mr. MORRIS. Are they being armed?

Mr. COOKE. They recruited about 3,000 in January 1950 for training. They had planned to recruit more. They could do it, but their economy is such that, at the present time at least, it is difficult for them to support a larger armed force than they are now supporting. They could get more troops so far as the Formosans are concerned.

Senator WATKINS. If the United States fleet were not there to exercise coercion upon the Formosans and upon the Nationalists, is there any probability that they would be attacking the mainland with raids?

Mr. COOKE. Yes.

Senator WATKINS. They are equipped so that they could do that?

Mr. COOKE. Not much more than raids. Nothing much more than raids. A major attack would require quite a bit of assistance.

Senator WATKINS. In the way of equipment and shipping, I suppose, to get them to the place for the attack?

Mr. COOKE. That is right.

Mr. MORRIS. Would raids aid the guerrilla morale?

Mr. COOKE. Yes, very much.

Senator WATKINS. What seems to be the opinion of the people there with respect to our order neutralizing Formosa and the Chinese forces?

Mr. COOKE. Well, I don't think they like that. They have accepted that.

Senator WATKINS. Pretty much because they had to, I suppose.

Mr. COOKE. Well, added to that, yes. I think it acts as, you might say, a wet blanket on the spirit. If you have an armed force in existence for a long time, and your relatives, mothers, and fathers, and all, are being slaughtered on the mainland and you can't do anything about it, you get depressed.

Now, they counteract that as well as they can, but you run into few mainland Chinese, which may be a million there, who have not relatives that have been executed on the mainland. You run across very few I know. Of course, the extent of my control is limited, but people I know all have. They all have friends and everything like that.

So, a lot of them are just burning with the desire to return to the mainland, to liberate their fellow countrymen. But as time goes on, if they get too much of a hopeless feeling, then that tends to die down; it gets quenched somewhat.

Senator WATKINS. Should our policy change in Korea with respect to the use of the Chinese forces? Would there be a formidable force



there, without revealing any secrets, ready to go into Korea on very short notice?

Mr. COOKE. They would have to be equipped just like some of the other contingents have been equipped. They wouldn't be equipped to do it.

Senator WATKINS. I understand we are now sending them equipment and help.

Mr. COOKE. Well, it is not arriving there very fast.

Senator WATKINS. What do you mean by "fast"? That is an indefinite term.

Mr. COOKE. Well, we have other places to send it, you know, to Europe. We are spending a lot of money on rearming Europe; we send it to Korea, and we send it to Indochina. So it is not inconsistent with the policy that exists to keep that on a not too high priority. If we are attacking north in Korea and south, somewhat, in Indochina—I am talking about the free world now, including the United Nations—and we use what we put into Formosa to push in the center, then it would immediately call for higher priority in my opinion. If it is just going to be utilized on Formosa, maybe then it will not need such high priority.

You see, that is the picture. Now, I couldn't know the priorities.

Senator WATKINS. You do not know the priorities, but you do know from what you have seen just how it is working out.

Mr. COOKE. Coming slow.

Senator WATKINS. Is it coming in enough quantity that, within a reasonable time, these forces could be prepared for action?

Mr. COOKE. I can't say that. I am not enough on the inside of that and, further, if I did know much, probably I would have to consider it confidential. Just what their plans are there now—and it is handled by an official group—and when it will get there, I don't know. And I don't know that they even know.

Senator WATKINS. I say with all the experience that you have had you would be in a position to say whether or not it would be to our advantage to have them armed and to use them as soon as possible.

Mr. COOKE. Well, in conjunction with what I would consider to be a correct objective, yes.

Senator WATKINS. What do you say to be a correct objective?

Mr. COOKE. I think they ought to be free to attack on the mainland.

Senator WATKINS. That would be even better than sending them into Korea itself?

Mr. COOKE. Well, I would send them immediately into Korea so they could get war experience in conjunction with our troops, and they would come up. I would do both if our forces in Korea need them.

O fcourse, it would take them a few months to get up to the standard of the troops over there. But I would do both.

Senator WATKINS. I have been under the impression that the United States, as its national policy now, has been rather pushing the equipment and arming and the training of the Chinese Nationalists on Formosa since, at least, last year. I wonder whether that is a correct position.

Mr. COOKE. I wouldn't say that that is necessarily not the policy. Let me say this: I was the chief strategic adviser for the Navy dur-

ing the war, and there are different views that prevailed as to how to distribute our armed strength. We immediately declared the Atlantic and European theater the primary theater, and Germany the main enemy.

Now that was interpreted by different people in different ways. The British interpreted it that everything we got had to come over that way, "Don't do anything in the Pacific, just let it be where it is."

The United States Navy, in particular, did not agree with that. We said there was a war going on in the Pacific, too. So you ran into the question of absolute priorities or adjusted priorities. In other words, under the consideration of the absolute priority, the fellow who stands one, he gets everything, and the other fellow gets nothing.

Adjusted, you realize that there is a fire going on around the world, and you may send the majority to Europe, but you send something the other way.

Now when you come to sending arms to Formosa, Korea, and Indochina, and some even to Siam and to the various places in Europe, Greece, Turkey, you undoubtedly run into interpretation of implementation of the thing, such as "How do you do it?" Just how that is being done, I wouldn't know. I know how I would do it. I would get it going to Formosa.

Senator WATKINS. You would probably say that it would be cheaper for the United States to train those Nationalists, apply them over there where they are, than to train the boys over here who are brought in with the draft, and then sent over there to fight.

Mr. COOKE. The Chinese want to do their own fighting as far as the ground troops are concerned.

Senator WATKINS. Up to the present time we do not let them?

Mr. COOKE. And they feel that they have enough bodies to do the thing, and they want technical help and material help.

Senator WATKINS. I would say to you that only within the last 2 or 3 days the people of my State are protesting very vigorously over the taking of men who are trained in the National Guard in artillery and making infantry of them overnight. That is the thing that is going on at the present time, and then they are sending them to Korea. Some of them have been killed within 4 or 5 days after transferring them from the artillery to the infantry over there.

The American people are becoming very much concerned, I think, over the policy we have of letting those people stay idle nearby, and who have very personal and national interests for fighting the fight, and in sending our own over there in that condition.

Mr. MORRIS. I would like the record to show that Admiral Cooke has come a long way to testify here today.

Senator WATKINS. Did he come directly from Formosa?

Mr. MORRIS. From Formosa; yes, sir. Much of this testimony this afternoon is purely for background purposes, and we are taking it into the record so that it may be integrated in later phases of our investigation.

Senator WATKINS. I realize that. Of course, he has testified on nothing, since I have been here, with relation to the Institute of Pacific Relations, but this committee has a broad field to work, the Internal Security Subcommittee, and the questions that I have been asking



now, and which counsel have been asking this afternoon, with respect to the actual situation over there, are very helpful to the committee and should be to the Congress and to the American people.

We do not often have a man with a background that you have, and a man who has been there recently and in a position to know who comes in and tells us what we believe to be the truth about that, and expressing an independent judgment.

We thank you very much for coming, Admiral, and we greatly appreciate your sacrifice.

Mr. COOKE. I am glad to do it. Anything that I can do for the national defense, that is my job.

(Whereupon, at 5:15 p. m., Friday, October 19, 1951, the hearing was recessed subject to the call of the Chair.)

## APPENDIX

### TRANSCRIPT OF ROUND TABLE DISCUSSION ON AMERICAN POLICY TOWARD CHINA HELD IN THE DEPARTMENT OF STATE, OCTOBER 6, 7, AND 8, 1949

#### LIST OF PARTICIPANTS IN ROUND-TABLE DISCUSSION ON AMERICAN POLICY TOWARD CHINA

Joseph W. Ballantine, the Brookings Institution	J. Morden Murphy, banker
Bernard Brodie, Yale University	Nathaniel Peffer, Columbia University
Claude A. Buss, Army War College	Harold S. Quigley, University of Minnesota
Kenneth Colegrove, Northwestern University	Edwin O. Reischauer, Harvard University
Arthur G. Coons, Occidental College	William S. Robertson, American & Foreign Power Co.
John W. Decker, International Missionary Council	John D. Rockefeller III, Rockefeller Brothers' Fund
John K. Fairbank, Harvard University	Lawrence K. Rosinger, American Institute of Pacific Relations
William R. Herod, International General Electric Co.	Eugene Staley, World Affairs Council of Northern California
Arthur N. Holcombe, Harvard University	Harold Stassen, University of Pennsylvania
Benjamin H. Kizer, lawyer, formerly director, China office, UNRRA	Phillips Talbot, University of Chicago
Owen Lattimore, Johns Hopkins University	George E. Taylor, University of Washington
Ernest R. MacNaughton, First National Bank of Portland, Oreg.	Harold M. Vinacke, University of Cincinnati
George C. Marshall, American Red Cross	

#### PROBLEMS OF UNITED STATES POLICY IN CHINA<sup>1</sup>

1. To what extent should American foreign policy in the Far East be directed toward saving China from a totalitarian regime and being used as an instrument of international Communist aggression; or to what extent should American efforts assume Russian domination of China and therefore be directed primarily toward preventing the speed of Communist domination over other countries in the Far East?
2. In view of the shortcomings of the National Government and its defeats at the hands of the Communist forces, what should be the United States policy regarding further assistance to the Nationalist regime?
3. Are there any other healthy forces of resistance in China capable of exercising effective leadership and to which United States support should be given?
4. If so, what form should such assistance take and how could it be made available?
5. If the Chinese Communists unite all of China under their aegis, what should be the United States policy toward recognition, including representation in the U. N., and toward trade relations?
6. Should the United States take steps to prevent the Communists from seizing Taiwan (Formosa)?
7. What should be the attitude of the United States toward the status of Hong Kong?

<sup>1</sup> Suggested questions for discussion at round table, Department of State, October 6, 7, 8, 1949.



8. If the Soviets recognize a separate political regime in Manchuria, what should be the policy of the United States regarding that situation?

9. Assuming Communist control of China, to what extent would the government be dependent on outside trade and financial relations for the internal development of the country?

10. Can it be anticipated that the United States would be able to influence Chinese Government policies through economic and financial measures?

11. Assuming the conquest of China by the Communists, what are the presumptions as to the relations between the U. S. S. R. and China? Can it be anticipated that Titoism will develop in Communist China?

12. Under the most favorable circumstances for those in control of China, how significant a military potential could that country develop in the next 5 years? The next 10 years? The next 20 years?

13. If China falls under Soviet-dominated communism, how will that affect the free government of southern Korea and the prospect for the attainment of Korean unity?

14. If China remains Communist, under Soviet domination or otherwise, what repercussions may be anticipated on Japan?

15. How will they affect the economic relations between China and Japan?

16. How should these repercussions affect our occupation policy in Japan?

17. How should they affect our policy regarding the conclusion of a peace treaty affecting Japan?

18. How should they affect our economic policies toward Japan?

19. Can Japan be safeguarded as a barrier against Soviet communism?

20. If the Communists consolidate their control over China, should it be assumed that they will continue their push into neighboring countries in south-east Asia—that is, Indochina, Siam, Malaya, the Philippines, Burma, India, Indonesia?

21. To what extent are these neighboring countries in a position to resist Communist pressures?

22. To what extent is the upheaval in China and elsewhere in the Far East a predominantly political movement, and to what extent is it the expression of deep-rooted forces arising out of social and economic conditions?

23. To what extent can the menace of political upheaval threatened by the Communist movement in that area be met by military action and to what extent must it be met by measures of economic and social improvement?

24. What steps should be taken to improve the economic and social conditions of the Asiatic peoples? How could the point 4 program apply to that area?

25. What should be the policy of the United States toward the conclusion of a Pacific Pact for mutual security?

26. How should Communist developments in China affect our policy regarding naval bases in the Philippines, Singapore, and elsewhere?

27. What role should India play in the crisis arising out of developments in China and the Far East?

28. What role should Australia and New Zealand play in the struggle against disruptive economic and political forces in China and the Far East?

29. What informational policies with regard to the peoples of China and the Far East would be most appropriate with a view to strengthening the forces aligned against Soviet communism and economic and political disintegration?

30. What is likely to be the impact of each of the various possible courses of United States action toward China upon the majority of thinking Chinese?

#### TRANSCRIPT OF PROCEEDINGS

(October 6, 1949)

(The meeting was opened at 9:05 a. m., Mr. Fosdick presiding as chairman.)

Mr. FRANCIS RUSSELL. Gentlemen, if I may I should like to open the meeting with a few housekeeping remarks before we get down to the main purpose of the sessions. The main purpose of this meeting is to bring around this table the expression of as many helpful, valuable points of view with respect to the general subject under discussion during the sessions today and the next 2 days as possible. There will be no effort to arrive at a set of resolutions or recommendations or even a consensus of views, or even to try to persuade anyone of anything. It will be simply to lay on the table and make available to the policy officers here in the Department that are charged with the responsibility of formulating the Department's views with respect to our policies toward China



the thinking of you gentlemen, who have given this subject a considerable amount of your attention.

In order to make the meetings of as much value as possible there will be a stenographic record kept of what is said. That, however, will not be made available to people outside of the Department, and the present thinking is that it will not even be made available to those who are here around the table. It is for the benefit of those in the Government who will be working on the problem, but in order to make that as valuable as possible I would suggest that anyone when he speaks, no matter if it is the fifteenth or twentieth time, just mention his name at the very beginning so that it will appear from the record who it was that said what, so that in making any remarks, just say, "Jones" and then go on and make the remark.

No report has been made to the press of this meeting. Undoubtedly some members of the press will hear about it. All that the State Department is saying is that this is in the regular course of business of the Department, that the Department does this from time to time, people have gathered here to discuss the problem of China, and that will be all. If you are approached by the press, I suggest that you make some statement of a similar nature. The press will be told that anything that has been said up here is wholly confidential and is between the participants and the State Department.

As you have been informed, I think, in letters that you have received, there is a room available for your purposes. You can have telephone calls received there if you wish and there will be stenographers there to take any letters that you may want to get out during the time that you are here.

With respect to lunch, arrangements have been made in the executive dining room on the second floor. It is a cafeteria, you grab a platter, go through the line. We will try to have some tables reserved. Or if you want to go to some other part of the town, there will be taxies at the front of the building.

With respect to transportation requests and reimbursement for that, I have been asked to urge that you take care of that either today or tomorrow in room 725-A. It will not be possible to take care of it on Saturday. You are also asked to fill out registration cards in that room and a salary waiver, which you will find at your places here. Your connection with the salary, I am sure, is so intangible that what you are waiving won't be anything of great substance.

Mr. Jessup, who has been asked by the Secretary to be in charge of this general effort, is in New York and is attending a meeting of the General Assembly on the Italian Colonies this morning. He will be here this afternoon and will be here on Friday and Saturday. Until he arrives, Mr. Raymond Fosdick, who is working with Mr. Jessup, also with Mr. Everett Case, will be in charge of the meeting, which I will turn over at this point to Mr. Fosdick.

Mr. STASSEN. May I raise a question first? It would seem to me if you are taking a stenographic record that we ought to have a copy of our own remarks at least, even though we do not have a transcript of the whole proceedings.

Mr. RUSSELL. All right, sir; we would be glad to do that.

Mr. HEROD. I think it would be wise, likewise, to indicate who is here.

Mr. RUSSELL. I think you have it in front of you, a very brief statement about the positions presently held by each person.

One other item. I think you have received or will receive an invitation from Mr. Webb to attend a cocktail party at 6 this afternoon at the Mayflower Hotel in the north room.

The CHAIRMAN (Mr. FOSDICK). Well, gentlemen, I think we might start by asking if there are any questions in relation to any of the announcements that Mr. Russell has made about the housekeeping end of it.

I am pinch hitting for Ambassador Jessup, as Mr. Russell has said, and we expect him down or hope that he will be down this afternoon.

I think I might say a word in addition to what Mr. Russell has said about the purpose of this meeting. As you know, the Secretary of State appointed some consultants in connection with the far-eastern question to come in and help to focus the attention of the public on these matters of urgency in the Far East. I want to stress our own modest part in this business. Mr. Case and I are outsiders, and we are here merely to be of any possible assistance we can to the officers of the State Department. I find that we are variously known around the Department as "Phil Jessup's boys," or by the newspapermen, as the "Bethlehem boys": that is, apparently "the hopes and fears of all the years are met in Thee." [Laughter.]



The reason, of course, for the appointment of these consultants and for the concentration of the interests of the Department at the moment on this far-eastern situation is that we have come to the end of an era. The white paper was issued by the Department in an attempt to give the public a complete statement of everything that had happened on the theory that the public was entitled to all the facts as to the past situation.

The Secretary said very frankly that he had not yet formulated a policy and it is the hope and expectation that with the aid of such groups as this we can get light in the formulation of a new policy. That is, it is a blank sheet of paper, a white page upon which the future is to be written. There is a great amount of interest as you know in this question, public and congressional, and in the 8 or 9 weeks that the consultants have been working here we have been trying to get all the information we could from people like yourselves that have had wide experience in the Far East. This meeting was called primarily with the idea of seeing if we couldn't focus that interest on a set of questions so that the thinking could be brought perhaps more sharply into perspective.

These questions are suggestive only—this list of questions. The purpose or the hope was that perhaps they might be of some service in guiding the discussion. There was no intention that the questions should limit the discussion. If there are any questions over and above those that are here on these pages, I hope that the members of this conference will not hesitate to raise them. We want to discuss the whole thing with complete frankness, and I think that there is no reason why we should not be absolutely frank. I think we will probably discover that there is going to be wide divergences of opinion. We want to explore those divergences, and I hope that nobody will "pull his punches" on expressing his own point of view on this controversial set of problems that is in front of us.

There are several ways in which we could take up these questions. We could take them up one by one, or we could group them under appropriate headings. That is, as we went over these yesterday, Mr. Russell and I, it seemed to us that perhaps the first four questions held together in a set. The difficulty would be, if we take them up one by one, that a single question naturally spills over into another question, and it might be that the discussion would take on a rather limited form unless there was some latitude. On the other hand, if there is too much latitude, I know from my own experience and you know from your experience that the discussion is apt to wander from a particular point. So it seemed to us that there might be some advantage in grouping the questions.

Perhaps the first 4 questions might hang together rather easily, and then 5 through 10 would form another group of more or less related questions. I am just making this suggestion. Questions 11 through 13 would perhaps form another group; 14 through 19 a fourth group; and 20 through 24; and then 25 through 30.

We can take these up in any way you like. Perhaps as a matter of policy it might be a good idea to try this out on a grouping principle and see how it works out. If it does not work out very well, we will take it on another basis. These questions, as I say, are just to promote the discussion. I hope that there will be no hesitancy on the part of any member of the group to introduce other questions or other points of view that are not mentioned in these pages here. On the other hand, there is a necessity, as you readily realize, of concentrating our attention as far as we can on the matter under discussion.

We thought that a very helpful approach to this whole general set of questions could be made if in the beginning we were briefed by officers of the Department who have had long and intimate contact with some of these questions. Mr. George Kennan, head of the Plans and Policies Division, will I think start off the briefing this morning on the general subject of China in the world picture. He will be followed by Assistant Secretary of State Mr. Butterworth, head of the Far Eastern Division, on a briefing of the general policy of the United States in China. I would expect that these two briefings would take perhaps about half an hour each and that they would form an appropriate background which would perhaps make our discussion of these questions a little more up to date and constructive.

We are waiting for Acting Secretary of State Mr. Webb, who is going to be with us in just a minute to extend the official greeting of the Department. I suggest that just for a minute we take a recess unless there is some comment on any of the suggestions that have been made.

Mr. ROSINGER. I have been wondering about the order of the questions. That is, it seems to me that perhaps logically the first thing to do is to turn to something like 22 and 23, which are rather basic questions on the nature of the far-



eastern situation as it confronts us before getting into some of the more specific aspects of China policy and policy in southeast Asia, and so on.

The CHAIRMAN. It is entirely up to the members, it is entirely agreeable to the Department; 22 and 23 are rather general questions, as you will see.

"To what extent is the upheaval in China and elsewhere in the Far East a predominantly political movement, and to what extent is it the expression of deep-rooted forces arising out of social and economic conditions?" That is question 22. Then question 23: "To what extent can the menace of political upheaval threatened by the Communist movement in that area be met by military action and to what extent must it be met by measures of economic and social improvement?"

Those are general questions. Would you see an advantage in discussing those first before we get into the particulars? There is no reason in the world why we shouldn't do it that way.

Mr. COLEGROVE. Dr. Fosdick, this series of questions serves more or less as the agenda, doesn't it? I suppose in the final analysis the Department may want an exchange of views with reference to recognition of the Chinese Communists or the formulation of a *modus vivendi* for trade and other relations without recognition. The State Department would like to have our views on that?

The CHAIRMAN. Yes, indeed.

Mr. COLEGROVE. Where would that come in the agenda?

Mr. STALEY. In five.

The CHAIRMAN. In five, I think. That would be under question 5.

Mr. COLEGROVE. And that specifically includes the nature of a *modus vivendi* short of recognition?

The CHAIRMAN. Yes. *De facto* and *de jure*, surely.

Mr. COLEGROVE. I would venture to say that the nature of that *modus vivendi* would overshadow in large respect all of our discussions, will it not?

The CHAIRMAN. It would be an important aspect of the thing, surely.

(At this point Acting Secretary Webb entered the meeting.)

The CHAIRMAN. May I present the Acting Secretary, Mr. Webb.

Acting Secretary WEBB. Thank you very much, gentlemen. I feel very inadequate to welcome you into the Department of State with General Marshall present in this group, because he has meant so much not only throughout Government but to this Department that all of us who are trying to carry on in his absence feel very humble about it, but we do particularly appreciate your coming here today.

Mr. Acheson regretted very much that he could not be here to participate with you. As you know, he is at the sessions of the United Nations. He has taken, I think, perhaps more of his own personal time on the subject of China since he has been Secretary of State than perhaps any other issue, although he has had such very great problems as the inauguration of the Atlantic pact, the working out of the military-assistance program, and many other matters affecting other parts of the world.

We feel here that we have come to a point where we do need very much to have the kind of discussions that we have asked you to come here today to participate in and we do want you to know that the Secretary himself will go very carefully over the work that you have done and it will have a very direct bearing and effect on his own thinking as the big decisions that we have to reach over the next couple of years are brought into focus.

I might say as a start that perhaps no single aspect of our foreign policy has been subject to so much public conjecture, criticism, and discussion as the policy toward China. We also feel that how the United States handles the problems involved in China is of very great importance to the democratic world. We think here in the Department, very frankly, that too often people have jumped to conclusions based on emotion rather than on clear reflective thinking, and that is one of the reasons that we were particularly anxious at this time to have this meeting with you.

I also would like to say that we recognize here that we do not have any monopoly on intelligence about China. In your presence we humbly bow and say that we know that in this group there is perhaps the greatest aggregation of intelligent thinkers that there is in this country on this subject, and we feel that in working out the program of the Department we will undoubtedly be able to derive great benefit from these discussions. We hope that your contact with some of our people who have been working in this field will bring about perhaps a better result than either group working and thinking independently could



achieve. Certainly you should know that after you have gone the notes and minutes and results of these discussions will be important and will be most carefully considered in everything we do for an extended period of time.

I would like to add one or two other points. We do not expect any dramatic announcement that can be put out to the world at the end of these conferences saying that our policy in China has been reversed or changed or perhaps even slightly altered. The formulation of basic policy in such a problem as this is a very long and time-consuming process. Over the next few months we assure you that everything that is involved in this great question will be gone over most carefully from not only the political but the economic and security standpoints, that within the Government procedures are being worked out, arrangements are getting reduced to habits of thought and habits of work between the White House, this Department and the Defense Department that have a very great significance in bringing about a perhaps more thoughtful thorough-going approach from those three standpoints than we have had since the war, due to the fact that it takes a long time to get a postwar organization shaken down and particularly due to the fact that in the Department of State we now have what we would call certain operating parts of the organization that have freed up the policy-making agencies.

Another point which I think you would wish to know is that we do not view these meetings as an effort to arrive at a consensus of opinion. We are most anxious to have aired here phases and segments of opinion and are more interested in seeing the variety than we are in trying to reduce them to some common denominator. We believe that that will, from the standpoint of each individual here, make the conferences also more productive and may give you a little chance to speak more freely where you have a variety of opinion than if you felt that you were speaking against a common view.

The last point I would like to make is that we are not in these sessions going to try to present you or sell you a China policy, or what we might consider to be a China policy. Our broad policy in the Department remains the same for China as for all the rest of the world. Briefly we are working toward a world in which democracy can express itself, where human liberties are respected, where people can enjoy a decent standard of living, and that means a world of peace. In the case of China, there are many unanswered questions in our own minds, including many you will discuss here. Our final policy toward China will emerge from the answers to these questions, and that is why we feel that these meetings have such great importance for us.

Again, on behalf of Mr. Acheson and myself, I welcome you to the Department and say we very much appreciate your coming here to help us with this program.

The CHAIRMAN. Thank you.

Mr. WEBB. May I stay here for a little while? I am going to have to go to another meeting, but I will stay for a short time.

The CHAIRMAN. As I said to the group a few minutes ago, we thought our discussions would be more helpful and of more benefit if we could have the briefing of some of the officers who have been long in contemplation of the problem. Mr. George Kennan, of the Plans and Policies Division of the Department of State, is the first officer who will take up the load, briefing us on the general question of China and the world picture.

Mr. Kennan.

Mr. KENNAN. Gentlemen, I have not prepared anything formal for this presentation. That is in accordance with the understanding that Phil Jessup gave me of the nature of the gathering and the way in which he wanted discussion to proceed, so I am just going to talk to you in a very informal way about what seems to us to be the relationship between the problem of China we are here to deal with and our general foreign policy.

That term, "general policy," does not signify any paper that anybody here can take out of a drawer and lay on the table as the measuring stick against which we have to stack up the component parts of policies, such as the problem of China. There can't be any such paper and none of us here who have this status of planners can attempt to do anything to write anything of that sort. General policy in this country has to spring basically from the ideas and aspirations, from the actions of the people and of Congress and of the executive branch of the Government. It is a constantly changing thing. It is not a static thing which you can fix in any one paper at any one time, and it is not a finished thing. It is, particularly at present, I think, in a state of high flux, and we only know a part of it.

Naturally we here have to use a certain rule of thumb, we have to have some guidance ourselves as we go along, and I can try to give you a picture of what



that rule of thumb is as we see it. I emphasize again it is not one we make entirely, it is one we have to try to figure out ourselves from what the country actually does in foreign affairs and from the aspirations of public and congressional opinions we get, as well as from our own judgment.

As we see it the problem of general foreign policy breaks down really into two segments. The first of those is the more narrow and immediate and more concrete question of the preservation of the security of this country in a world where there are a great many weapons in other peoples' hands and where there is a great deal of confusion and misunderstanding, and violence, fanaticism, and ill will. It is not a safe world these days for anybody to live in, and we have, as I say, the relatively well-defined problem of how you preserve the national security in these circumstances.

The second problem goes far beyond that, is a much more profound one, and one to which none of us is going to find the answer, I think, or any definite answer to at any early date, and that is the question of what it is really, assuming that the national security is cared for, taken care of in one way or another, that this country wants to do, how it views its mission or its role in world affairs, what it is after in dealing with its world environment.

(Mr. Webb left the conference at this point.)

Mr. KENNAN (continuing). The answers to that are by no means as clear as they might seem when you pose the question, and it is there that I think our ideas today are in a particularly high state of flux. I will return to that a little later.

Now from the standpoint of world security, of our national security in its world terms, that is a subject which, of course, is on everyone's mind at this particular time on account of the news that there had been an atomic explosion in Russia and the implications which that bears for many people. Actually, I don't think that the pattern of our world security has been very greatly altered by that fact. Certainly it is a development which should have been fully taken into account in our planning to date, and I think largely has been.

As we see it, we do not feel to this day that the Russians have the intention or expectation or desire to launch a great sudden military onslaught on the west. That is not to say that there is not a basic conflict of view between themselves and the western countries, and it is not to say that for other reasons they might not come to the conclusion that a war is necessary, but what I am driving at is that I think there is a distinction between these Russian leaders and people like Hitler and the Japanese leaders of the twenties and thirties. I do not think that in their own minds they have conceded that a great, aggressive, open war was the way in which their aims were to be achieved. I think that remains true today even when they have this bomb.

Remember, they have a theory that capitalism bears within itself the seeds of its own destruction, that it must disintegrate. They see an important role for local Communist parties in hastening that disintegration, in acting, as they say, as midwives at the birth of a new order, but that is an entirely different thing from saying it is the purpose and mission for the Red army to move out and conquer the rest of the world for the sake of imposing communism. That would be actually illogical from the standpoint of their doctrine and also their national tradition. Russian expansionism has been a history of gradual, rather cautious, patient, bit-by-bit expansion, always directed to what lay immediately beyond their land frontiers in Europe and Asia. We do not underrate the importance and wish of their political expansionist tendencies and of their ambitions, which undoubtedly they have, to see Communist regimes which would be more or less subservient to them or take their inspiration from them established certainly throughout most of Eurasia, and I think all of Eurasia, which I think they had high hopes that a lot of that would happen when the recent war came to an end.

That does appear to us to have in it really great danger, particularly in connection with Europe, because if you look at the geography of the world from the standpoint of military and industrial potential, I think it is fair to say that outside of our own military and industrial complex here in the United States, there are only four such aggregations of manpower and skills and industrial strength, there are only four aggregations which are major ones from the standpoint of strategic realities in the world. Two of those lie off the shores of the Eurasian land mass. Those are Japan and England, and two of them lie on the Eurasian land mass. One is the Soviet Union and the other is that of central Europe, of Germany and the industrial areas immediately contiguous to Germany and the Rhine, France, Belgium, Czechoslovakia, and Austria, and in Silesia.

Viewed in absolute terms, I think the greatest danger that could confront the United States security would be a combination and working together for pur-



poses hostile to us of the central European and the Russian military-industrial potentials. They would really create an entity, the two of them together, which could overshadow in a strategic sense even our own power. It is not anything, I think, which would be as easy of achievement as people often portray it as being here. I am not sure the Russians have the genius for holding all that together. The Germans apparently didn't, although they tried it. Still, they have the tendency of political thought, of Communist political expansion, which causes us to concentrate on that problem and do our best to prevent such a combination in coming about in a spirit and form which could be hostile to us. That does create—and I would point out and the reason I mention it—a real distinction from our standpoint between the situation of Europe and the situation of China and of Asia. It was not only by design and because of that distinction that we have done what we have done and had, I think, the political success that we have had in Europe.

When we talk about helping people to resist pressures, such as those that come from Moscow, it is not something we can do by our own policy alone. We can get success only by interaction between our policy and what already exists in the way of natural will and ability to resistance in other countries. It did happen that in the European countries there was a strong enough attachment to national independence as such, a strong enough repugnance to the sort of thing that was being thrust upon countries by the Russians, strong enough will to hold out against that to enable us with our assistance to be of real political value there. It was partly because those prerequisites existed that we have been able to follow a program in Europe which proved, I think much more successful and which looked much more purposeful, much more well-designed probably than what we have done in Asia, but there is also the fact that it does seem to us a more serious prospect that the Russians should get hold of central Europe from the sheer military standpoint of national security than it does that they should get hold of China and Asia.

That does not mean that we underrate the importance of a Communist advance in Asia. We do not even underrate, I hope, the military importance of China. We realize that in some respects the Chinese have formidable military capabilities, although they seem to us to be ones that express themselves more in the defensive than anything that could make up amphibious strength or strength which could be projected beyond the borders of China.

You have to take in, of course, in that respect, and we hope you will give attention to this, the question of Chinese resources, Chinese possibilities of becoming an industrial power, and particularly the possibilities of doing that in conjunction with Russia. It has been my own thought that the Russians are perhaps the people least able to combine with the Chinese in developing the resources of China and producing anything which in a physical sense would be dangerous to us. The Japanese provide, it seems to us, far more the natural workshop for the Far East in general and for China, and whereas China is a competitor with Soviet Siberia for such things as the Soviet Government may have to give—and I have heard Stalin express this same thought and I think with complete sincerity—Japan is not exactly in that position and Japan can supplement the mainland much more.

This problem you will be facing with respect to China is for that reason, I think, inextricably intertwined with the problem of Japan, and I hope you won't feel under any compulsion to exclude Japan from your attention as we go along here. We have got there what seems to us to be a terrible dilemma on our hands and we need all the guidance we can get. The outcome of the recent war and the settlements that were made with respect to northeast Asia do seem to have excluded the Japanese for the time being from any extensive participation on the mainland short of a war or of some dicker with the Russians which would enable the Russians to feel they can readmit at least the Japanese technological and administrative and business skills into that area safely for themselves.

On the other hand you have the terrific problem of how then the Japanese are going to get along unless they again reopen some sort of empire toward the south. Clearly we have got, if we are going to retain any hope of having healthy, stable civilization in Japan in this coming period, to achieve opening up of trade possibilities, commercial possibilities for Japan on a scale very far greater than anything Japan knew before. It is a formidable task.

On the other hand, it seems to me absolutely inevitable that we must keep completely the maritime and air controls as a means of holding our—of keeping control of the situation with respect to Japanese in all eventualities. The



very fact that the Japanese face an appalling problem of economic adjustment in this coming period and are probably destined to go through a phase of rather intense national frustration, which will incline them rather to the devices of despair, than toward a good-natured sort of policy. All that makes it all the more imperative that we retain the ability to control their situation by controlling the overseas sources of supply and the naval power and the air power without which it cannot become again aggressive; that is, without challenging which it cannot become aggressive.

It will be, I think, part of your task here to assess the possibilities for United States policy with respect to Japan in the light of those factors, the possibilities for the development of Japan's economic relationships again with the mainland, the extent to which the Japanese can afford not to trade with the mainland, with north China, but again the extent to which north China can afford not to trade with the Japanese, try to strike a balance between bargaining power and with what it supplies to us.

For the sake of our own national security, I would say relationship of Japan toward China is fully important and perhaps more so despite all alarms and exercises of the moment to the relationships of Moscow and that should not be forgotten here.

Turning now to the other and broader question of United States foreign policy, the one that goes beyond the limits of simple national security in the short-term sense and which addresses itself to what it is really, which we regard as our function in the world, it seems to me that there we really have, rather than in the problem of security, the root of the causes of all the acrimony and difference of opinion and anguish of spirit and searching of souls that is going on over policy in China in the last 2 or 3 years. I believe that it is in that realm of thought that the confusion must lie, because it could only have been a great confusion which could have produced some of the acute differences and acute feelings among our people here. On that we really are in a state of flux.

The traditional concepts of Americans, which we knew from the nineteenth century, as to what was the role of the United States in world affairs are beginning to wear thin in many respects and prove to be inadequate. They were, of course, first of all, I think, looking back, the concept that we should preserve our freedom to go ahead and develop this continent without any interference or trouble from other people, and, secondly, that we should achieve the most favorable possible juridical framework for the activities of our traders and our citizens abroad. That was the mercantile-labor concept of foreign policy which prevailed among ourselves and largely among British and other great trading countries in the nineteenth century.

Both of those are proving to be inadequate because we find that as far as preserving our right to go ahead and develop our internal life, our ability to do it without outside interference, that that no longer can be accomplished with coastal batteries, that there is no security in the purely defensive attitude toward the world, that security really only lies in a vigorous and active and flexible offense of some sort. I don't mean a military one: I mean a political ideology, one that you are safest when you are trying to accomplish something instead of waiting for somebody else to come and try to accomplish something in regard to you. Therefore, even that concept of keeping ourselves free to pursue our domestic aspirations here brings us out into the rest of the world and means we have got to want things, we have got to be trying to do things in other parts of the world. The whole thing has gone into a realm of depth which it didn't used to have, and defense in the deepest sense is a very profound concept which plunges away across the world.

As far as protecting citizens abroad, I think we are all beginning to realize that there are national interests that do rise way above the interests of the individual, that you cannot fix a foreign policy today on just the commercial privileges of the individual American trader, that there is need for national policies, need for the defending of what are the interests of the American public as a whole. Those who engage in business abroad and those who don't, their argument, the old concept, proved inadequate.

Now there are various ideas current in our people today as to what really it is that we are trying to achieve in the long-term international affairs. Some of them see it as a quest for the strengthening of peace through the achievement of some universal juridical pattern which will make aggression impossible. That is what many of them see in the United Nations, in the Charter of the United Nations, what we are doing under that. I am not sure that that is a wide enough view myself, but that is what a lot of people want, and what they



look to Asia for is to see the Asiatic peoples take their place if they will do it more or less as good schoolboys on the bench here and to vote the right way and to pursue as we do a stable world in which there will be pretty much a preservation of the status quo through juridical promises not to be violated.

Others look to economic development, to the raising of the standard of living as the thing which is going to metamorphize the world, make it a better world to live in, create a better international climate, and in Europe and Asia, too, they address themselves to this problem of how we can do two things, how we can bring about economic development. They expect from that material improvement things will flow which will achieve the deepest objectives of American policy in Europe.

Others see the thing that needs to be done in the extension to Asiatic countries of American institutions and patterns of life and feel that if the other people can only be brought to take the same attitude toward themselves and their society that people do in this country, the things that make them troublesome in world affairs would be largely removed. I think there has been a good deal of that type of thinking in our occupational regimes in Germany and Japan and the feeling that if you could transplant some of our institutions to these people you would have achieved something which you could achieve in no other way.

Finally we have had the missionary concept that in our Christian ethic conception again we had something which could do the trick in that area of the world and that the task was to bring those to the peoples there. I sometimes think perhaps our confusion today and our feeling of frustration with regard to Asia comes from the fact that to date none of these things have really been successfully applied and all of them have produced disappointments to various groups of our people here at home. I think probably that they are, all of them, all of those hopes and aspirations are placed in too narrow concepts and that they don't pay enough attention to the nature of our own society at home and to our concepts of what it is we are trying to do, achieve domestically in this country, because I am convinced that those two things are very closely connected, much more closely than most people think here, that you cannot have foreign policy which is out of context with what you might call the national trend domestically, the things you really want to achieve domestically, and I think we have got to rethink all these problems from that standpoint.

This inquiry, as I understand it, was addressed to China. China of course is not all of Asia, but China really is a tremendous nation. It very often seems to me that two-thirds of our problems with respect to the rest of the world today is to determine what is really the desirable and advisable stance of a "have" nation to "have-not" nations, because a very large part of the world is composed of "have-nots" not just in Asia but elsewhere, and this is a very, very bitter problem. We were talking about it the other day, with a congressional committee down here. I said it reminds me of the biblical saying that, "Easier shall it be for a camel to pass through the eye of a needle than for a rich man to pass through the gates of heaven." Well, I think it is easier for a camel to pass through the eye of a needle than for a country like our own to find language and approach to people who have very little and chance of little more which will be useful and satisfactory to both parties involved. In that problem China has a place of peculiar importance. It can be regarded as the most "have-not" of all the "have-not" countries, and if we can find the answer with regard to China I am sure we have found three-fourths of the answer with respect to any other areas of the world, not only in Asia. I don't mean to say that China is like India, that there are not very significant differences, and that sort of thing, but embraced in this Chinese problem is one of the deepest dilemmas of American relationship to her world environment today, and if we can make any progress in getting into that dilemma, in straightening that out, you will have performed what I think will probably be the greatest single service to the United States foreign policy which you could perform.

I think, Mr. Fosdick, that is all I might say on this subject.

The CHAIRMAN. Mr. Kennan, have you time to answer some questions?

Mr. KENNAN. Yes, sir.

The CHAIRMAN. I know how rushed you are.

Mr. KENNAN. I would be very glad to answer questions.

The CHAIRMAN. Now, are there any questions anybody would like to ask Mr. Kennan on his presentation this morning?

Mr. KENNAN. I realize I have talked in almost impossibly broad terms here. I don't want to inflict that same weakness on the rest of you. But I'll be perfectly happy to answer questions.



Mr. COLEGROVE. Mr. Chairman, may I ask Mr. Kennan about his views regarding potential areas of industrial development? He named four, and three of them were in the Western World, one in the Asiatic world. What are the most important potential areas in the future?

Mr. KENNAN. You mean as distinct from the existing ones today?

Mr. COLEGROVE. Yes, for instance, India and its relations to China.

Mr. KENNAN. Those are problems, of course, not only of resources that exist—and it isn't absolutely necessary that resources should exist on a territory for it to develop military industrial potential. England, of course, today has in twentieth-century terms—as distinct from nineteenth-century terms—relatively little in the sense of resources. I think the answer to that question lies very largely in social and political conditions in the Asiatic countries and in the question of whether they are going to be able to develop a stable enough society, administratively stable enough, to provide a framework for world trade. That is, for overseas trade, plus sort of the moderation of approach to other nations which seems to be necessary to have overseas trade. And whether they are going to be able to develop within themselves the necessary accumulation of capital to build up what is necessary for a military industrial potential.

Now in China I must say that looks to us very far off. China's resources, as far as I know, aren't very great in any of the things which we regard as the guts of industrial power. Her coal resources are meager compared to those of the Soviet Union or the United States or Europe, Western Europe that is. Her oil resources are almost nonexistent compared to the known reserves in the Soviet Union and the United States. Iron also does not compare and, as went down the list of things, it's my recollection you found China having anywhere from 15 to 35 percent of the raw material resources of these other areas. Now, as I have said, you can import these things but then you have got to have something internally which China has not got and that is the ability for capital accumulation. I believe it is true in China it takes three peasant families to nourish one family not on the land, where here the relationship is just about reversed.

Mr. LATTIMORE. Four to one.

Mr. KENNAN. Oh, four to one. In those circumstances it seems to me the possibilities for accumulation of capital are tremendously diminished. I don't know what the mathematical factor would be as compared with ourselves but it's a tremendous one and it must proceed very, very slowly. And I believe that India would have, from what I'm told—I spent night before last talking with our Ambassador out there—the capacity to become a very considerable agricultural country and probably eventually industrial too, although apparently the Indian leaders themselves are beginning to swing rather to the idea that they would do better to develop their country agriculturally.

Almost everyone else has wanted industries with an almost childlike absorption with the sort of romance of having great industrial plants on your territory in an undeveloped nation. I do think the possibilities are greater in India than they are in China and if India, which is almost a blank check to us today, can create the prerequisites to be a world trading power, develop her agriculture, handling her demographic problem, I believe then you could get certainly a fifth world industrial center of great importance.

Mr. COONS. Mr. Chairman, may I ask Mr. Kennan if he would explore just for a moment a little further his conclusion that the relationship of Japan to China is more important potentially from the standpoint of the utilization of resources and the combination, I suppose, of capital and labor, than the Soviet Union to China. You mean now in the very immediate future, or over a long period?

Mr. KENNAN. I mean now. There are many factors that enter in there. One is the existing industrial plants, skills of Japan, the fact that those are surplus to Japan itself, and have to find some sphere in both the sources of raw materials and markets. In other words, Japan's industrial strength has got to operate in a realm much wider than the Japanese islands themselves, as does that of the British Isles. That is not true of the Russian economy and will not be for I think a long time. Vast sections of the Soviet Union today need very much the same sort of development that China needs and the things they have to offer to the Soviet Government in the way of manpower, and so forth, are also similar. I mean the Soviet Government is in no great real shortage of manpower, which would be what China has to offer.

The transportation from the east to west in the Soviet Union is still in a very primitive state and I really believe that it would be a very serious problem there were the Soviet Government ever to attempt to do much in the way of inter-



twining its economy with that of China. Of course, as highways might be constructed, you would have something perhaps comparable to what exists in this country but all that has to run through areas which are far less developed, and in many ways far more difficult in operation than areas you have to cross in this country.

The possibilities for maritime connection are still very rudimentary and poor. I was thinking primarily today than in terms of the next 10 or 20 years, it will take that time for Russia to build a modern transportation system if all goes well and it will take certainly that time for her to develop her Far East.

I remember Stalin one time snorting rather contemptuously and vigorously because one of our people asked them what they were going to give to China when this was over and he said in effect, "What the hell do you think we can give to China." He said, "We have a hundred cities of our own to build in the Soviet Far East. If anybody is going to give anything to the Far East, I think it's you." And I think he was speaking quite sincerely.

Now, that is a very real factor. The Russians are trying to build cities like Komsomolsk, Yakutsk, and other cities way up to the Far Custa Republic. They are trying to develop that whole area and there are a thousand demands daily on the Soviet Government which it can't possibly supply. Many of them are for housing and things which vitally affect the living standards and not only that but the working efficiency of the people they have got out there. When similar demands come from China they have to allot priorities and I believe, from what Stalin said, those priorities will normally and naturally be given to the Soviet Far East.

That is not the case with Japan. And Japan has better communications to China by far than the Soviet Union to the perhaps most important districts of China, let us say, commercially, economically.

THE CHAIRMAN. Any other questions? Mr. Stayley.

MR. STAYLEY. No; Mr. Murphy was first.

MR. MURPHY. In contrasting the various power areas and the possible combinations which would be a threat to us, you made the point, I think, that the combination of Russia and central Europe would be a more effective and more dangerous threat than the combination of Russia and China; I think you said because central Europe was a more homogenous group, a more uniform group. Is that right?

MR. KENNAN. It's a very powerful military industrial unit in its own right, central Europe, and that was demonstrated during the last war. If you think what the Germans were able to develop and maintain over a series of years over the way of military forces, it was terrific! And if you add that to the Russian potential, if anybody could, Russians or Germans contrive to combine—if only for a decade—politically those two potentials you would be faced, well, that is about the only combination I think that would give you something in absolute terms considerably more powerful than what we have here in North America. That was my point.

MR. STAYLEY. May I ask your comment on this line of thought: What is the Russian view of the importance of China and Asia in the world political struggle as you gather it (a) in relation to military power in the narrower sense, and (b) in relation to the political infiltration sort of struggle which I judge from your remarks you might think would be more important in their view? And may I preface it further with this observation that it would seem the old Marxist doctrine that the countries of most advanced capitalism would be the first to go to maturity and have their proletarian revolutions—that has been a great failure as a forecast. In no country of really advanced industrial development has there been a revolution of that type.

And the revolutions that have been successful from the point of view of proletarian dictatorship have occurred in the so-called backward countries. They still predict we have our contradictions that will lead us to eventual revolution but now isn't it true that the emphasis in this thinking perhaps has shifted to the so-called exploited underdeveloped countries and they may put more emphasis on them now realistically in their strategic planning.

MR. KENNAN. I think that is quite true. I think militarily they do not look to the Chinese for very much except on a local scale. That is, I would say that if you were probably able to take them apart in the minds of people in the Kremlin on this subject you would find that the role they allotted in their minds to the Chinese Communist military forces was one of assuring the exclusion of ourselves and other imperialist elements from those areas contiguous to the borders of the Soviet Union and that they would be relying still basically on the



Red army for their security. I mean they would allot a sort of a role of provincial legionnaires to the Chinese Communist forces in their minds and not a major role. I doubt that they would want them to become, even if they could, a major military power.

Politically I think you have quite a different pattern and what you have said is very interesting and very true. Events are proving the Marxist analysis of what was going to happen to capitalism and people's reactions to capitalism to be correct almost everywhere where capitalism is not very far developed and not correct in the countries where it is. And I believe there has been a considerable amount of soul searching ideologically within the Communist movement to find a rationalization and to find ways of explaining how it is that colonial countries—I'm speaking here from the standpoint of Marxist ideology—can step from the feudal or precapitalistic stage into the people's republic stage.

I think they are rationalizing that in China and I believe that that is where they are going to have their great political successes or may have them if they are successful in establishing themselves, and in establishing their ideology, as to the foundation for what I described as the have-not psychology in the world. I think that offers great possibilities to them. I wouldn't underrate it for a minute.

How that will work out in terms of relationship between them and regimes like the Chinese Communist regime I don't know. That will be a problem similar to the interrelationships within great religious movements of the past. But that this Marxist analysis, with all its oversimplification and what seems to me to be really its phony qualities, has huge emotional appeal for peoples I believe is a fact.

Now, there is where I think they place their great hopes but at the same time they will be extremely cautious about it in Asia because they are very, very well aware of the fact that if you cannot overshadow a country militarily, ideology is in itself an untrustworthy means with which to hold them. It's a good beginning and it's fine to have them inspired your way but it's not a guarantee against Titoism and I don't know, and I don't think they know, of anything really except the shadow or the reality of military domination.

Again I'd just like to say by the same note, I'm not predicting a repetition in China of what happened in Yugoslavia. I'm only saying that I think the Russians are very alive to the fact that you can get a lot of people, ideologically, on your side and still the logic of power compulsions can cause them to challenge your physical authority at some stage along the way. For that reason they will be very careful in handling this thing in Asia.

Mr. LATTIMORE. I should like to ask Mr. Kennan a question to tie together two things that he made in his introductory statement. Mr. Kennan, you pointed out quite likely that Japan already has the industrial set-up; what it needs is a wider sphere of activity for it. Then separately you mentioned the defense and security requirement, of being able to maintain air-seas supervision over Japan's strategic position. Japan's industrial power grew up very largely by the importation of energy and supplies from the north of China and Manchuria. And that was done under conditions where the Japanese not only had the industrial relationship but the strategic control of the industrial relationship. Now, if they are to resume their access to those sources, the operation of which they are familiar with, the strategic control would remain with a China which is going to be either Communist or Communist dominated. And the Chinese would have at least the option of rationing their supplies to Japan. They would say, we supply you so much on condition we get back an import from you of machines and so on, leaving no margin for you to build up a kind of power that has strategic power over us. In other words, the Chinese may be in a position to make an effort to interdict the military side of this Japanese military industrial potential in such a way that it would strongly affect this concept of a military industrial potential in Japan-controlled areas at long range by the United States.

Mr. KENNAN. There are two or three things that I think ought to be taken into consideration on that. Again I raise the question of whether the Chinese Communists are going to be economically so much in the driver's seat that they can sit back with equanimity and grant or decline to grant favors economically to Japan on how much that is going to be a two-way proposition. I think what you say is quite correct, in both the mainland of Asia—not only, of course, China but also Korea being under Russian domination and Manchuria. And we ourselves as the major maritime power in the Pacific have holds on Japan which can amount to perhaps almost a veto power on Japan's again becoming a great military power.



This makes me think of something I found in a statement of Theodore Roosevelt which seemed to me to have relevance just to that problem. He said "Of course, if Japan were content to abandon all hope and influence upon the continent of Asia and tried to become a great maritime power she might ally herself to Russia to menace the United States. But in any such alliance between Russia and Japan do not forget what surely the Japanese would think of, viz, whereas the sea powers could do little damage to Russia they could do enormous damage to Japan and might well destroy Russia and blockade the Japanese islands."

I think it remains today that Japan is a valuable new power from the standpoint of whoever controls the seas and the air today in the Pacific region, and there are raw materials which she cannot get, I'm sure, from north China or Manchuria on which she will be vitally dependent. If we really in the Western World could work out controls, I suppose, adept enough and foolproof enough and cleverly enough exercised really to have power over what Japan imports in the way of oil and such other things as she has got to get from overseas, we would have a veto power on what she does need in the military and industrial field as great as that, I think that is not incorrect.

Mr. HEROD. I'd like to ask Mr. Kennan one query in regard to the question of China allying to Russia or Russia being a less likely proposition with Japan as it pertains to the military industrial potential. In our observation, from the standpoint of scientists, Russia has some very good ones. So has Japan. From the standpoint of engineers they have got very good ones. As far as industrialization is concerned, Russia was estimated as having 17 percent of the world's manufactures just before the World War as against less than 5 percent in Japan. As far as steel production, as far as power production and coal production is concerned, Russia exceeds Japan's production many times.

And it would seem to me that whether there is a likelihood of Russia allying with China depends to a certain extent upon Russia's size-up of her objective and the degree to which Russia sizes up the indigestibility of China, granted there is a great shortage in Russia against a surplus of these facilities and techniques and technology in Japan. But Japan hasn't a free choice and Russia has, and Russia has been known to divert her attention at the expense of her domestic market and at the expense of her own people into foreign channels when she had an objective that looked as if it were worth while to do it.

I don't believe we can count upon it being a more dangerous or a more critical proposition for us to give consideration to the Japanese relationships with China. I think we can count upon it for the short term because I think it's expedient in Russia but if such expediency should change or if Russia should get—which I don't think it's liable to do—an idea that China could be used for some particular purpose rather than being—well, I think Russia's idea is, just leave it and let it stew in its own juice, without a strain on Russia's resources.

If she felt she could use it as a jumping off point, I think Russia, having these resources, could divert them to China as well as Japan could divert them at the expense of her own people, which I believe the Kremlin would do if she felt the price were worth it.

Mr. KENNAN. Well, I think here you're raising questions which I would rather you answer than I answer. And I wouldn't attempt to give an answer to that. I would only point out these things, that while what you say about the Russian industrial potential may, allowing for a certain amount of padding—which I suspect there usually is in Soviet stakes; Russia has, of course, double the population and far more in the way of territory than Japan has, the whole trend of Russian economy in the past 40 years I think since the revolution has been away from that of a trading nation which had surpluses to give to the rest of the world and rather toward one which had a hard enough time supplying her own needs—while the Russian Government is capable of allotting priorities of very formidable intensity and therefore achieving given objectives in fields which it marks out for itself as of great importance, it does that at the cost of huge sacrifice. Its economy is conducted the hard way and the wasteful way and I don't think there is a great margin with which to play except in cases of tremendous national emergency.

Now, you may say that Asia might become of such importance to Russia that it would be equivalent to one of those periods of great national emergency and that they would say this is the time to do what we did during the World War, to push living standards ruthlessly down and free a surplus of the labor of the people to use for national purposes of this sort. That is possible at a later date. Right now I think most of us tend to forget how deep and how raw are still the scars of the last war in Russia, how little of the damage done really has



been repaired, despite the fact that production has been brought up. That does not mean the things the Germans destroyed have been rebuilt yet.

It also means that there is still a certain ritual I think in the readiness of great peoples to go through the ordeal of a war; and, if that is true, the Russian people are no way near the term of that rhythmic swing which would put them in a frame of mind again to enter in a contest. I would also add to that: Let's remember that never in Russian history have the Russians ever, that I can remember, been enthused about any deliberate aggressive action of their own outside of Russia. The things which have really caused the Russian people to get down and work and show this tremendous spirit of sacrifice and endurance and enthusiasm have been the attempts of foreign powers to plunge into the heart of the country and the folly of foreign powers in giving the Russians the feeling that they regarded them as dumb, second-rate people who could be pushed around that way. That really arouses Russian national spirit more than anything else. But, whether anybody will ever be able to arouse the Russian spirit for different sorts of ventures, I'm just not sure; and I'll pass that question for one that could also be aired.

The CHAIRMAN. I don't want to bring this to a close because these questions and answers are highly illuminating, but let us put it this way: are there any urgent questions you would like to ask Mr. Kennan before he goes? I don't think we can take advantage of him too long. If there are no questions, thank you very much, Mr. Kennan.

Mr. KENNAN. Yes.

(At this point Mr. Kennan was excused from the meeting.)

The CHAIRMAN. We will pass to the second briefing which I mentioned earlier, on the United States policy in China by Assistant Secretary of State, Mr. Butterworth.

Mr. BUTTERWORTH. As I understand it, Mr. Kennan's remarks were designed to put into a larger framework of world policy the problems which center around China. And Ambassador Jessup, together with Dr. Fosdick and perhaps Dr. Case—who have since mid-August been giving the Secretary of State the benefit of their consideration of these problems—will this afternoon, I believe, discuss with you the pros and cons of the larger policies as they have been considering them from all points of view. It therefore devolves upon me, perhaps somewhat out of turn, to give you some background on our current operations, these matters of immediate concern, many of which carry important policy considerations but with which we have to deal with on a day-to-day basis and which we will, as they develop, need your advice in terms of your consideration of these larger problems.

Perhaps the most timely one is to discuss this question of recognition, since the Chinese Communist authorities have now announced that they have organized themselves as a government and they have addressed communications in a rather terse fashion to the other powers. About the time that the Communist forces crossed the Yangtze we made our first approach to the other powers about this question of recognition. The unexpected ease with which the Communist armies swept down from Mukden to the Yangtze upset not only the plans and concepts of the Nationalist Government, but those of the Communists, political and military authorities as well. But it is quite clear they never expected the kind of collapse that in fact took place.

So, they began revising their own political timetable, and it became clear to us that about this time they would organize themselves as a government and invite recognition. As a matter of fact, we picked out the arbitrary date of the double 10, and that might well have been the date. I have the feeling myself that the action of the Chinese in Lake Success in bringing forth this case may well have had the effect of hastening as much as possible that timetable.

But about this time, when Shanghai was being menaced, through Ambassador Stuart at Nanking and through our envoys in the friendly capitals, we broached the question of recognition with the friendly countries. We pointed out to them that we did not think this was an immediate problem and that we did not expect that it would in practice arise, although the world press and particularly the American press wanted to force this problem onto us immediately. We expressed our view that we thought it would be desirable for the powers who were sufficiently interested in China to have diplomatic representation there to consult with each other; that we for our part were quite ready and willing to do so. Our own view was that no benefit would be derived by any hasty individual act; that the first come would not in fact be the better served, and that we thought



that this was a problem of sufficient complexity and seriousness that it should be approached with great caution and with no sense of haste.

We found general agreement with those views with two possible exceptions. Australia did not share these views apparently at all and believed that the Chinese Communist regime, when it was set up, should be recognized at the earliest moment. And I think Dr. Evatt made a public statement subsequently along those lines. The Indian Government apparently was thinking along the lines at that time of what it called de facto recognition of the northern Communist regime.

Well, as we pursued this we found that they had an idea, but they didn't seem very clear in their own minds or ours exactly what they meant by it because there was no regime as a government in northern China at the time, and their views about the de facto recognition seemed—well, they in turn agreed that some consultation should take place, but quite frankly it left us with the sense that they would be more willing to act readily when a government was set up than would ourselves or some other power.

As you know, Mr. Bevin and Mr. Schuman have been here, and the question of what should be done when this matter of recognition arose was likewise discussed. And here again all parties concerned agreed that consultations should take place. I think I should call your attention, though, to the wording of the communiqué which was issued after the conversations between Secretary Acheson and Mr. Bevin. It referred to the common objectives which the British and ourselves share, but it pointed out that in some of the countries in the Far East and Middle East are situations which are not exactly the same.

Now, it is quite true that we unbalance trade with China and the British, not only trade with China but in China at that time. Unlike us, they have large investments there with firms like the Jarden Matthewson Firm, who not only have agencies for British manufacturing concerns but they own docks and breweries and textile mills, and they operate on joint account with the Chinese interests in a number of concerns. So that the question of whether they cut their losses for a period or whether they fold up for a time and come back, they are faced with problems which are not the same as ours.

There is no doubt that the British are more anxious to trade therefore, more anxious to regularize their situation with a Chinese Communist regime than our interests necessarily persuade us to do. I'll touch on that a little later, but that is the position today. We still believe that this problem should not be pursued with any great haste; that there is no great urgency; and, in fact, the Chinese Communists do not control a substantial part of China; and, furthermore, they have given no indication of their willingness to undertake the type of responsibilities which are required of international obligations which normally devolve upon a government.

Their propaganda over many months has contained references to their desire to abrogate what they call the Kuomintang treaties. But the Chinese Communist propaganda veered away a little bit from that, and the latest line is that they are going to look and see what treaties are justified, what are just treaties. But it's quite clear and it's significant that in their recent note they made no reference to this matter, and that is a point which, of course, we are concerned about and which I suppose would concern all friendly countries having interests in China.

Concurrently, I might mention this question of trade, which is likewise a contentious issue. Our general analysis of the export-import situation in China is that, although China requires imports of a considerable variety of products, her very size and the agricultural nature of the country make her relatively self-sufficient. That is, she does not produce enough cotton, although she produces a good deal of cotton, and so on. Her deficiencies lie mainly in the importation of machinery and in oil.

China is not one of the countries that you would select if you were going through the list of countries that would be particularly vulnerable, we will say, in time of war, to the economic welfare. That is, although the cutting off of her imports would entail a good deal of suffering and a good deal of dislocation, it would not necessarily strike at her vitals.

Now, nevertheless, in February we decided to approach the British Government in anticipation of the onward sweep of the Chinese Communist armies and discuss with the British, in the first instance, the question of the imposition of controls on trade with China. It seemed perfectly clear that we should not let the products which were being restrained in terms of east-west European trade from reaching Russia and the satellite countries—that those arrangements be the categories which fall under the heading of 1-A items.



We likewise thought that a selected number of 1-B items should likewise be put under control so that we would have the option of modifying, restraining, or allowing products to go as determined by the events. Until our position was clear with the British, there was obviously no purpose given to have discussions with other interested powers such as the smaller producers of western Europe, of the eastern European Continent producers.

The British have been very reluctant to put under control 1-B items with the exception of oil. They do not feel that 1-B items moving into China can in the present circumstances do very much harm. They are keenly aware of the importance to trade, their Tientsin and Shanghai entrances, and they are acutely sensitive to the fact that Hong Kong's future is inextricably bound with its hinterland. They are, of course, in agreement about the 1-A items. And these discussions are going on, and other countries will be approached on this same basis.

The blockade port closure, of course, has produced a new situation which was not counted upon. Communist propaganda has it that it was an American idea. I think it was a complete accident myself. An airplane, as far as I can gather, flew over the entrance to the river and saw a ship zigzagging in a queer way; and the pilot, when he got into Shanghai, began talking about this matter and said "Perhaps this ship was laying mines." This got into the North China Daily News and they published it as a report, and the port of Shanghai suddenly then closed, because everybody then assumed that the Yangtze was being mined.

The Communists were furious and made an attack on the Daily News. But, nevertheless, shipping stopped for several days until small ships could be got out into the Yangtze and attempts made to find these mines. No mines were ever found. The idea had obviously had a wider currency, and the Nationalist Government then sought the possibility of this port closure. The order which they circulated to all shipping friendly countries, particularly those having shipping companies, very carefully avoids the word "blockade." It calls it a "port closure." But, nevertheless, it seems to require of second countries behavior similar to that which would be entailed if a blockade had been proclaimed.

Now, our traditional policy has been over the years to proclaim that a blockade be declared and made effective. Furthermore, in our present position as the greatest naval power in the world—with England practically the only other naval power in the world—it would not be in our strategic interests to see countries with a few ships and a few airplanes suddenly declaring large parts of the coast line as blockaded. We have to some extent a monopoly on blockades, and we keep that monopoly at rather heavy expense and are not prepared to give it up rather readily. At the same time, we obviously do not want to be the means by which this blockade in Shanghai is broken. That is not our affair. That is the problem which concerns the two warring elements of China.

Now, considerable complications have ensued as a result of rugged individuals on the part of one of our shipping companies. For a long time the underwriters kept their rates very high. Therefore, no ships found it in their interest to go in. And then the underwriting rates from London were considerably reduced and one of our shipping companies went in. The first two ships that went in were met at the entrance of the Yangtze by a nationalist warship and there ensued an interchange between the captains of the first ship and the warship, which had a little bit of the spirit of the Yankee Clippers in it but, nevertheless, unbalanced. They said they were going in and asked for their position, and unbalanced they seemed to get what seemed enough.

However, in about 2 hours after arriving in the port of Shanghai this same ship came in and was turned over to the Chinese Communists. They unloaded their cargo and took on passengers. We had our consul to notify all Americans they would be ill-advised to travel on this ship, that it was going through dangerous waters. And previously we had the Maritime Commission circulate to all the shipping companies the notice of port closure of the Chinese Government and when Mr. Isbrandtsen, of the Isbrandtsen Steamship Co., saw the naval escort for these ships he made it very clear to us that he would not have this naval escort and influentially we were not predisposed to this voyage and these vessels have now been seized and taken to port in one of the contiguous islands.

In the meantime a third boat was approaching the mouth of the Yangtze when these first two were caught. It was warned off by the Chinese Nationalist Government. It went away for about 12 miles and, as far as I could see when the



naval escort was taking these other vessels away, it slipped into Shanghai. I would like to have your advice on these conciliations and would be glad to have you help me draft some communications that I send to China.

Mr. KIZER. Mr. Chairman, I'd like to ask Mr. Butterworth a question. I'm wondering if there would not be an advantage to the United States and to relationships if we were to say to the British, at the appropriate moment, we are not ready to recognize the Communist government but since your interests are larger than ours there may be some advantage in your recognizing it because of your interests there. Then we will take our time with it ourselves.

Mr. BUTTERWORTH. I don't really see how it's particularly in our interests to do so because at the moment the notification of the Chinese Communist authorities is an inadequate one in any one's point of view regardless of their interest and until that is somewhat clarified, including the Chinese Communist behavior to diplomatic and consular representatives which lacked a good deal, particularly in our case, I shouldn't have thought it was in anybody's interest to recognize them.

Mr. KIZER. I didn't mean we should advise the British, but when they are ready to do it we might well say don't wait for us but go ahead when you want to.

Mr. BUTTERWORTH. It seems to me when they are ready to do it they are going to suggest to us what you suggested saying to them.

Mr. COLEGROVE. Mr. Fosdick, if Mr. Butterworth hasn't finished, I'd like to ask if he would be willing to give us information regarding the withdrawal of American consulates throughout north China—how many have been withdrawn and from what places and why were they withdrawn.

Mr. BUTTERWORTH. That was one of the subjects I was trying to touch on.

The CHAIRMAN. Suppose we let Mr. Butterworth conclude his remarks before the questions begin.

Mr. BUTTERWORTH. The first consulate we decided to withdraw was the consulate general at Mukden, for the reason that for the first 3 weeks of the Communist occupation of Mukden our people were properly treated and were even allowed radio communication with us, but suddenly all smiles ceased to go and they were put in their compounds and were being held more or less incommunicado since that date. It was obvious that we had no option but to withdraw them. They were not being allowed to perform their functions and were living under circumstances of hardship and indignity. So we gave instructions to have them withdrawn. We took the matter up with Peiping with the Communist authorities as to Dr. Stewart in Nanking and received assurances from them that our consul general and his staff would be provided with American facilities and they would be permitted to leave. That was some months ago and these assurances have not yet been implemented.

Mr. DECKER. They are still there?

Mr. BUTTERWORTH. Yes. The next step that we took was to meet with the business and missionary interests and discuss with them our decision to close the offices at Chungking, Kunming, and possibly Canton before those cities were overrun by the Chinese Communists.

There are not large numbers of American citizens in those areas and there are very comparatively few American interests. Communications have been extremely difficult even with the favorable facilities that we have had in China from the end of the war until a comparatively recent date when we had a military and air advisory group which had airplanes there and we could fly in supplies. Places like Kunming, for example, we only reopened—I believe it was closed in the middle twenties and I reopened it in 1937 in anticipation of the Generalissimo's moving the capital there. It was not one of our traditional posts.

We felt from the point of view of their utility to us and facilities that would probably be accorded them, it would not be worth our while to keep them. We debated about the question of Canton, because Canton is a long-established office and we consulted with the missionary and business interests as to whether they thought that we could be of particular aid and assistance to them. It transpires that most American businessmen are going to remain in Canton after the Communists come in and we were advised that the presence of our consulate would not necessarily act adversely on their interests. Somewhat the same attitude was taken by the missionary groups, although not quite so clear-cut in every instance, so given the presence of Hong Kong and its proximity we decided we would close the office at Canton, although we still keep there our chargé d'affaires until such time as the capital moves elsewhere.

Likewise, we are going to close out the offices at Dairen and and Tsingtao: In Dairen because our people are so circumscribed that they are leading a quite



impossible life and are of very little or no utility to us, and at Tsingtao because with the departure of our fleet there it is a very dead place and our consulate serves little or no purpose there. There are very few Americans and all that are there want to leave too and our staff will leave when they do. Therefore we will keep the traditional service at Peking, Tsientsin, and Shanghai, Nanking, and Hong Kong, and we have no intention of closing those. Hankow is also being closed on account of the communications problem.

I think before the questions I might just touch on one other problem and that is the question of Hong Kong. I think I should tell you, again in confidence, that the British have advised us that they are quite confident that they now have the means of defending Hong Kong and that they propose to do so. They do not propose to announce this in the papers, and so on, and I am asking that this be treated in the strictest confidence, and they feel they have the means of handing both external aggression and internal sabotage of the 1926-27 variety. They have not sought any particular assistance through us except that we should live up to our obligations under the United Nations Charter, which we would clearly do and which we have affirmed in the Secretary of State's introduction and letter of transmission to the President of the white paper.

Now I am through.

Mr. HEROD. Were the consulates in Shanghai recognized? Are they recognized?

Mr. BUTTERWORTH. No; the Communist authorities have steadfastly adhered to the rule that they would not recognize not only the mission, they continued to address Dr. Stuart as a professor or former ambassador but they have not recognized what normally governments do recognize, which is the continuance of consular authorities within their consular district and their traditional functions of protection, and so on.

Communication, however, does go on despite these frictions. Mind you, our own consulates were under instructions in all these cities before the take-over not to address any of these authorities by their official titles and not to appear at official functions which would in any way be interpreted as a suggestion of action of recognition on our part, so in a certain sense the Communist authorities and ourselves are of the same mind in principle. They carry the matter, though, to what we regard as the *raductio ad absurdum* level. However, the necessities of circumstances break down these rules, as you know, and our authorities have been in communication with them about matters of mutual concern.

We are not, however, able to protect American citizens in the way we traditionally do because when we try to take up the case of Mr. X and Mr. Y, they listen to you and say, "Have Mr. X and Mr. Y come to see me," but nevertheless something spills over that may be helpful.

Mr. DECKER. I think Mr. Butterworth would be the first to recognize that in his remarks about the missionaries withdrawing from Canton, that he did a little bit less than justice to the number that are staying.

Mr. BUTTERWORTH. I didn't mean the missionaries were going, were withdrawing. I meant our people were withdrawing. If I gave another impression, I am sorry.

Mr. DECKER. You said "businessmen" and then the way your remarks went—I am sure there was no intention.

That was not the thing I wanted to ask. What I should like Mr. Butterworth to discuss with us is the question of *de jure* and *de facto* recognition, that is, degrees of recognition, what the implications of those alternative courses would mean, and another very important question, it seems to me, what the implications would be for the existing Nationalist Government, assuming that the Government stays in possession of at least a substantial segment of China, as it is at the present time, would recognition of the Communists as a regime imply the withdrawal of recognition from the Nationalists, and what would be the result of that? A third point, the question of recognition in its relationship to the U. N. and their arrangements in the Security Council. I think those are all the questions we would like to have him discuss.

Mr. BUTTERWORTH. If I could touch on the first two, I think in a way it is theoretical to discuss the variations between the *de facto* and *de jure* recognition because it seems quite clear to us the Chinese Communist authorities would not be prepared to accept what is commonly called *de facto* recognition, and I feel quite sure that a condition precedent to the exchange of envoys and the usual things that take place on the occasion of recognition would be in their mind a withdrawal of recognition from the Nationalist Government, so I think in practice the problem that faces the United States and faces the other powers is whether or at what time to accord normal *de jure* recognition, and I think it is because they have held this view, that they have been so arbitrary, narrow in



their interpretation during this pregovernment period of the status of all foreign envoys and representatives, consular and otherwise.

The CHAIRMAN. Would you want to comment on the third question?

Mr. BUTTERWORTH. I would like to comment on the third one as an amateur, because if you are going to talk about the United Nations you have to devote a good deal of your time on that and General Marshall will bear me out on the technicalities of that. One or two broad things seem clear, that the question of recognition will probably arise in the Security Council and then possibly move to the General Assembly, which is the higher court of appeals. The whole is no greater than the sum of its parts in this instance, because a large part of the territory still lies within the jurisdiction, nominal and otherwise, of the National Government, and therefore you cannot at this stage of the game get a repetition of the Czech case, where, you will recall, the credentials of the outgoing government were withdrawn largely on the initiative of the Secretariat on the basis of the fact that the United Nations does not recognize regimes as such, it recognizes states, but here is a state that at the moment is a divided one, so that would not seem to apply, so that being so, the question would move on the attitude of the several powers in this question.

Mr. DECKER. I should like to pursue that a bit further in the matter of recognition. Are we then to assume that we really have a take-it-or-leave-it proposition so far as the Communists are concerned in their demanding de jure recognition, setting limitations? Is there any situation in which we unilaterally grant one or the other?

Mr. BUTTERWORTH. Our recognition is not a unilateral matter, it is a mutual matter, their exact terms are by no means clear from this brief and somewhat tersely, curtly worded note and it is certainly not clear—it is clear they do not encompass by any means all of the territory of China yet. It is not at all clear what their attitude is designed to be toward aliens obligations.

The CHAIRMAN. Did you have a question, Mr. Colegrove?

Mr. COLEGROVE. Mr. Fosdick, I would like to ask one more question with reference to the consulates. It is true that businessmen and missionaries should be consulted with reference to the need of consulates in any foreign country, but did not the State Department throw away a strategic advantage in withdrawing these consulates? There are of course adventuresome young men in the Foreign Service who are willing to take the risk and there are of course experienced consuls who know how to get along in countries like China even though they have little contact with their Government. We know how difficult it is to resume consular relations with Communist countries. We have had some unpleasant experiences about that. Would it not have been better to have left these consulates scattered through China as listening posts or as posts which we already hold even during a time when we have little communications with Communist China, and still again, are we not going to have a great deal of difficulty in reopening these consulates after we try to get a modus vivendi for trade with Communist China sometime in the near future?

Mr. BUTTERWORTH. I shouldn't imagine that if it is the policy of the Chinese Communist government to have foreign consulates in these places, and that is not clear yet, whether they would propose to follow the Russian pattern or follow a pattern of their own, I shouldn't imagine it would be difficult should recognition take place to obtain the same facilities that other powers have. On the other hand, your reference to listening posts really gets to the heart of the problem. The utility of a listening post is not only that you can listen but also that you can purvey what you have heard to somebody else, and our experience does not lead us to believe that is so. Furthermore, we have good reason to believe that our adventuresome young men would have very great difficulty in getting into these places, that it would be a question of maintaining our staff at the places rather than rotating or sending new ones there.

Furthermore, there is the general concept, I think, among a great many Chinese, and particularly strongly held by the Communist Chinese, and you find it in trade, that they have the concept that really the western powers in general and the United States in particular is extraordinarily dependent upon its relationship with China both in trade and in other things and it is an extremely valuable market to us, and these mysterious foreigners coming there, and exactly how they make this money which allows them to live on the scale of merchant princes even though they are clerks is not wholly clear to the average Chinese in the street, but he feels obviously something is being taken out of China in very large measure and China is extremely important and we get the most extraordinary allegations from the Chinese Communists as to what has happened in the last 5 or 10 years. You would never have thought



that we had imported gratis into China the thousands of tons of foodstuffs and other material, whether through UNRRA or our own organizations we have. I for one am not at all sure that psychologically it is a bad thing to have restricted our representation. I would think it would be a mistake if we voluntarily withdrew our consulates in these traditional cities where we have always been, but places like Chungking and Kunming, we have not always been there, but the expansion was a result of wartime days when the hump operation was going on and because of special circumstances which didn't recede until recently. But of course, if our representatives are treated a certain way in the days to come, when recognition is not readily forthcoming, we will have no option but to withdraw them, and I myself would favor a policy of withdrawing them rather than to allow them to remain and serving no purpose but to be suffering indignities which do not reflect well upon any of us.

Mr. VINACKE. Mr. Chairman, may I ask in that connection whether there is any evidence of an intention on the part of a Chinese Communist to spread the view that the American consulates with consular officers, etc., are essentially centers of espionage with a view really to forcing them out rather than it being our decision whether they should remain or not?

Mr. BUTTERWORTH. There has been a good deal of propaganda along that line centered around Mukden.

Mr. VINACKE. It has really been an official propagation rather than expression of opinion?

Mr. HEROD. Has the State Department adopted any policy with reference (a) to visas for businessmen back in the Communist areas, such as Shanghai, and (b) for their wives?

Mr. BUTTERWORTH. We have adopted a policy as regards their wives. We have not been encouraging people to take their wives. We have been prepared to look upon these businessmen and upon missionaries, people who have direct special interests which require them to go to China, we view those cases on their merits and we have given visas to missionaries, for example, who have been to west China, established people, and who know the conditions, who have lived there before, and so on, but it would not be logical or right for us to set down a rule, a widespread rule when we are undertaking very hazardous operations in trying to get the people out who want to come out.

I might just reply that for a minute. At the time of the fall of Mukden in November a year ago, we made our first announcements in the Peking and Tientsin areas suggesting to those Americans who did not have compelling reasons to remain—in other words, that they consider leaving while transportation was still available to do so. We had the idea that the port would be frozen quite soon; that would mean unless they left very soon they would have to go by air lift. The air facilities is some ways out of town from both Peking and Tientsin. As far as Peking was concerned there was sporadic fighting around the airports not infrequently. That was followed in a week or 10 days later by warnings in Shanghai, Nanking, and Hankow, and these warnings were repeated. At that time there was a shipping strike, as you will recall, and so we got the Navy to provide emergency shipping facilities and airplane companies to put on more planes to help people get out. A good many people left, a good many people remained, partly because they had in the past always stayed during periods of civil strife and let the waves of war flow over them and go about their immediate concerns, partly because they were optimistic and that under some changed conditions things might be better. The last ship that left Shanghai or naval vessel that had facilities for I think 500 to 600 people left with 7 people, so very adequate opportunity and very serious warnings were given to the people as to the desirability of the people to leave who did not have compelling reasons to remain.

We did not attempt to define what "compelling reasons" were and we made that quite clear both to the people in China and to their principals back here. Once before the United States in a moment of aberration in Mexico had quite illegally forced Americans to leave the country and when they returned, the states they found their property in led them to bring claims against the United States Government, which this Government has been entertaining for some time.

Furthermore, we recognized that there was a grave situation, both in the immediate take-over period and in the longer-range period which we could not predict. We had no pattern on which to go and certainly in places like Shanghai there was a very formidable situation for ill will which fortunately didn't develop. So that we did not try to either force our people out or to urge them to remain, but we provided them facilities to leave if they so wished to and we warned them of the dangers, actual and potential, and we said we would stay in there ourselves and help them insofar as we could.



We have had the *General Gordon* which went in there and took out about 400 Americans, 700 other foreigners, and most Americans who wanted to leave the central part of China have gone. Those who wanted to leave the Tientsin area have been able to go on the ships because the blockade really is not effective in that area.

In our warnings to the people in west China and Canton area we added a new note to the warnings that we had given in central and northern China. That note was based upon our actual experience, and we had to call attention to the fact that the Communist authorities on some occasions had not behaved with respect to international law in the protection of foreigners in their rights and in the traditional way nor had they permitted our consuls to exercise the functions which normally they would under such circumstances. The British warnings in the Canton area followed along those same lines.

Mr. LATTIMORE. Conditions seem to vary so much from country to country both in countries of continuing consular practice and in situations where there is a change of regime that I should like to ask a couple of questions for clarification. What I want to know is whether it is either (a) the generally recognized international standard in these respects or (b) does the United States have a standard of its own which it tries to apply in all cases as far as possible? That is a general way of putting it. Specifically, for instance, you mentioned the radio facilities of our consulate in Mukden. Is there any generally recognized standard about when foreign consulates maintain their own radio facilities and in the country to which they are accredited or when they simply code their dispatches and deliver them to the local radio facilities? Secondly, you mentioned the question of specific instructions to American consular representatives not to address the incoming authorities by their official titles. Is that also a general practice, general international practice, or specifically an American practice?

Mr. BUTTERWORTH. No, as you know, international law is not always absolutely clear and precise on every point because it is a growing thing, but it is generally accepted and our views and practices of law run along the general lines that if there is a change of regime and there is nonrecognition, we will say, in a Latin-American country, the consuls continue to function uninterruptedly, deal with the local authorities in the normal way except that they do not address them in their official capacity nor are they addressed in their official capacity, and they don't flaunt themselves by attending official receptions and that kind of thing, in other words, which will be interactions which would have more than a local significance in terms of the general and normal evolved functions of consuls all over the world which have come down through the centuries. Likewise, dealings take place with the mission but on an informal basis and we followed that practice here. As a matter of fact, as regards China, you have the situation in Manchukuo where our representatives dealt with the Manchukuo authorities over a period of years, but the consul general in Mukden was called "Mr. So-and-so" and that applied to the British as well, and so on.

Mr. LATTIMORE. Did they address local authorities by their official designations?

Mr. BUTTERWORTH. No, by their person. That is the normal practice, and I am sure every one of the western powers gave instructions not dissimilar to the ones we gave our consular authorities before the war in any of these cities as how they should conduct themselves.

Mr. LATTIMORE. The radio?

Mr. BUTTERWORTH. The historical and normal thing is that the local authorities provide you with telegraphic facilities that are of a reasonably good and rapid kind and do not in any way interfere with your sending codes or ciphers. In countries where those facilities are not sufficient and in countries where bilateral arrangements made that, the modern practice is for missions quite frequently or consulates to have radio facilities. In China, for example, when I was there 2 years ago, it took telegrams to go from Nanking to Tientsin 3 or 4 days. In fact, occasionally we sent over our facilities messages for them.

Mr. ROSINGER. I would like to ask two questions. First of all, in our review what is the importance to Britain of its economic stake in China—that is in terms of the British home economy; and, secondly, what particular obligations do we have in mind in connection with the Communist assumption of Chinese obligations?

Mr. BUTTERWORTH. I might indicate on the most obvious ones or the rest, for the treaty obligations which they inherit and the idea that we should in effect agree to the abrogation of treaties or provide terms under which the abrogation should take place, is out of the question. Secondly, on the question of the treatment, of normal treatment accorded to foreign residents and officials, ready travel, access, the operation of courts of justice which are effective, and so on.



The CHAIRMAN. Again I don't want to curtail discussion, but I don't think we can impose on a busy man like Mr. Butterworth too long, and unless there are urgent questions that somebody would like to ask him, I suggest that we get on with the general discussion. Are there urgent questions somebody would like to ask Mr. Butterworth while he is here?

Thank you very much, Mr. Butterworth.

Now it has been suggested that we start with questions Nos. 22 and 23. I think Mr. Coons made that suggestion.

Mr. COONS. No, I don't think it was I.

The CHAIRMAN. Oh, Mr. Rosinger, and perhaps you would like to take up the discussion as long as you made the suggestion.

Mr. ROSINGER. I suppose I asked for it. I didn't have anything very extensive to say. It just seemed to me that by a certain logic that they apply to the general situation, and that they might be considered first. On question 22, "To what extent is the upheaval in China and elsewhere in the Far East a predominantly political movement, and to what extent is it the expression of deep-rooted forces arising out of social and economic conditions?" I think it is rather clear that while the political aspect is important as the international situation in the Soviet Union and United States, while the functioning of particular parties—in the case of China the Communists and Kuomintang—are extremely important, the situations would not be the same if those parties did not exist in their present form, that nevertheless we are facing pretty deep-rooted social and economic conditions in the region, that even given a change in the existing political set-up, the existing political movements which are available for expressions of opinion and action in those countries, you would have the gravest kind of discontent, the gravest kind of political upset, because of the general poverty of the area, because of the unresolved social and economic conditions which have the character of a long-term revolutionary process which started a long time back and will not be completed in our time.

The CHAIRMAN. Does anyone want to comment?

Mr. DECKER. I should like very heartily to second that. It seems to me that events in China have progressed almost with the course of a comic tragedy in that the underlying forces have been the terrific want, the privations and disappointments under which the Chinese people have suffered through these years. When we think back on the constructive measures which the Nationalist Government did, that in a certain period in its existence, say from 1930 to 1937, and then its rejection just a few years later, I think we must recognize that they have been the victims in a measure of circumstances beyond their control which relate in precisely these things. It was the ill fate of the Kuomintang to have had the responsibility at a time when China was passing through a frightful experience which registered in the food and the clothing or the lack of them that the great mass of the people had available and that more than political maneuverings have been responsible for the outcome.

The CHAIRMAN. Any comment on that point?

Mr. VINACKE. Mr. Chairman, I don't think anyone can disagree with the fact that you have your political movements rooted in the social and economic causes. At the same time, you also have to recognize, it seems to me, that there is the political expression at a given moment of these economic and social causes of concern to us outside of China, and consequently we might come to an agreement on this proposition, but I don't see that it adds up to very much as far as the position of the United States and the needs and interest of the United States at the present moment or at any given moment in time in relation to the situation in China.

Mr. COONS. Mr. Chairman, I should like to say that probably half to two-thirds of the people around this table have probably written in the vein of the deep-rooted forces, of the total social and economic and political revolution in China [laughter], but I should like to throw my influence in the same line as Mr. Vinacke. After all, we are facing a political movement and we need to analyze it, the significance of the deep-rooted forces, in terms of whatever it may reveal for us, in terms of the meaning of the present political movement and whether or not and what—and this comes on to the question 23—we do about it. Let us all admit the history and move on to the question of what we do from now on.

Mr. FAIRBANK. Mr. Chairman, these questions seem to raise the problem of long-term and short-term discussion, and would we get along faster if we tried to divide our deliberations between long-term and short-term in some way?



The CHAIRMAN. I think that is a very pertinent point, Mr. Fairbank. Would you like to elaborate that?

Mr. FAIRBANK. Presumably the professors present will be interested in the long-term, since operations are a matter of immediate knowledge and knowledge which the Department has here much better than any of us. I think, myself, that our main lack is not on the side of operations but on the side of long-term understanding.

Mr. VINACKE. Mr. Chairman, would Mr. Fairbank be able to make that the long-term understanding not of the situation in China as it affects the Chinese but of the long-term understanding of our relationship to that situation, that is that we are concerned here with the United States and American interests in relation to this situation in the short run and also in the long run?

Mr. FAIRBANK. Could I add, also, Mr. Chairman, the relation of Russia to China and ourselves?

Mr. VINACKE. And of ourselves in relation to Russia as affected by the situation in China.

Mr. TAYLOR. Mr. Chairman, as to the acclamation of generalizations to which we have just listened, I wonder—with all of which I agree—whether I could point up the subject by making one or two flat statements. If this question 22 means anything at all, it raises in my mind the question of the nature of the Communist movement in China today and of the KMT. If you put it in the way that these are all deep-rooted forces and therefore can't be dug up but must be allowed to grow as they now are, you get into a frame of mind where you say, this will happen, you can't stop it, here it is and you might just as well be scholarly and recognize deep-rooted forces when you see them. It is my impression that the political form that these deep-rooted forces are taking in China today is a very specific one and one that can be described and should be. I think it is a political movement. It is one which is using deep-rooted political forces. The Communist movement in China today is one which is taking advantage of a situation which is not new, which has existed there for a very long time, and it should be analyzed as such. It is a political power movement. It is using propaganda which includes the idea of social reform, and so on, but basically the motives behind it I believe are definitely political, connected with an international organization although taking place in China, that this is occurring in a country where this sort of thing fits extremely well. Nothing fits in China quite so well as a bureaucratic, one-party monopoly government.

You are not dealing with a feudal society. The Russian position is that this is a feudal country. If I may refer to my colleague, Mr. Fairbank's excellent book, I think that shows very well indeed that that idea that this is feudal has got to be discarded. It is a society in which this type of one-party political bureaucrat program fits so perfectly that very few Chinese will have any particular intellectual difficulty in accepting it.

I don't know whether that is enough to start the ball rolling.

Mr. COLEGROVE. Since we are more or less in agreement, I think Mr. Taylor has summed it up very well on this question 22. Could we go back to questions 1, 2, 3, and 4?

The CHAIRMAN. I think so, because I think we will probably be coming back to question 23; but question 22 I think is a natural introduction to the first four questions on this list. Would you agree, gentlemen, that we could go back to our first four questions here and perhaps that would help center the discussion?

Mr. FAIRBANK. Could I just raise another procedural question, whether we are aiming to just keep ourselves going with talk or to formulate agreed conclusions of any kind just as a group. Do we go through certain phases in these 3 days or is it all the same from first to last? That is, should we aim to try to settle some of these questions as we go along? Do we, therefore, want a procedure of stages?

The CHAIRMAN. Well, as the Under Secretary said in his opening remarks, I don't think the Department is going to look for any agreed conclusions by this group. Am I right in that?

Mr. RUSSELL. Yes. I think that the general feeling of the Under Secretary and Mr. Jessup was that we would not make any effort to try and get common agreement here, that there were different points of view and that it would be valuable to have those brought out and discussed and the positions of some might result in interesting or helpful positions by others.

We were planning at the end of the discussion this afternoon to raise the question with you as to whether tomorrow we might do one of three things. The first would be to continue a general discussion along the lines of the questions



you have in front of you. The second would be to break up, possibly into two groups, one of which might discuss possible courses of action, possible programs with respect to China alone; the second would discuss possible courses of action with respect to the rest of the Pacific area, possibly on the basic assumption that China was beyond immediate help or immediate effective action and that we should build our defenses of democracy in the area around China. Those two groups might consider those two problems.

A third possibility might be that we might break up into still smaller groups, three, four, or five, one of which might discuss possible political action in the whole area; a second, possible economic actions; and a third, information actions. And then those groups would get down to very specific suggestions. We had planned to leave that until 4 or 5 o'clock this afternoon, possibly proceed this morning and this afternoon to discuss the questions of the general nature that we have been the last half hour, and then leave it to the group as a whole on the basis of that discussion to decide whether it would be more fruitful tomorrow and Saturday to continue that way.

Mr. FAIRBANK. Could I suggest that I'm afraid as we go into specific questions various ones of us will approach from the different assumptions, slightly different assumptions, of this general nature. And I'm a little fearful as to whether we want to waste our time by just lining up on arguments and specific points, not having taken a longer view. What was just said, it seems to me, was what we all agreed with, what Mr. Colegrove was saying and yet not perhaps a complete statement of the course of history in China and if we are trying to have a long-term approach, don't we need an agenda which gives us long-term conclusions at one point and then specific discussion at another?

Mr. COLEGROVE. Mr. Chairman, may I speak again on this subject?

The CHAIRMAN. Yes.

Mr. COLEGROVE. I think the division of remedies on long-term proposals and short-term proposals is very good, but I don't see why we can't discuss long-term and short-term proposals at the same time. They are intimately related to each other. A short-term proposal of course should be in line with long-term policy. And if I may make a remark with reference to question No. 1, as the question before us at the present time, it seems I think to a large number of people in the United States, a large growing public opinion, not merely experts but of opinion of colleges and universities and press and the forums, that the United States foreign policy should be a global policy and there ought not to be a sharp difference between our policy in the Orient and our policy in Europe—and for Latin America for that matter.

This first question uses the term "totalitarian regime". At the present time our policy toward Europe is a policy of trying to keep countries like Greece and Italy free so that they can practice democracy without being submerged and oppressed by aggressive nations that are trying to force another system upon them. If that is our policy in Europe, and I think we agreed that it was, why shouldn't that be our policy in China? Why shouldn't we have the same global policy in all parts of the world? It seems to me that our foreign policy should be made consistent in that respect.

Mr. BRODIE. Mr. Chairman, with regard to this distinction between long-term and short-term problems, it seems to me we have, first of all, to settle the question which I see in No. 1. I believe this refers to the precedential question which was raised as to whether we should divide it into two groups. The question, as I see it, is, Do we have to assume now that China is lost to the Communists or do we not? The tenor of the white paper, as I see it, is that it is. I should like to know from the experts who are around this table whether there is general agreement on that particular conclusion. It seems to me that is essential to everything else we have to discuss.

Mr. MURPHY. With respect to the procedural question that Mr. Fairbank raised, it was my impression that in the beginning Mr. Russell said that Mr. Fosdick and Mr. Jessup and possibly Dr. Case would outline their findings to date or their general impressions before the general discussion was made.

Mr. RUSSELL. No, I didn't intend to say that at all. What we have had in mind in connection with the briefing is that there would be only two general statements which you have already heard for the purpose of providing basic factual information. Now, there are additional persons who will be available to give even more brief briefings on particular problems, such as the military problem, the economic situation, the situation in Japan, the situation in southeast Asia, etc.; so that as this group gets around to those problems we will have the experts to answer questions on those. But aside from what has already taken place and aside from that, the ball is already in your hands.



I would only make one more point and that is with respect to Mr. Fairbank's statement. It seems to me that the questions that you have here are pretty specific questions. They look into the future. They ask what should be done. Here are questions that are pretty important from the point of view of taking policy steps during the coming months and years and, while there may be some here—the list is rather long—that you may dispose of rather easily, if there should be expressions of opinion by those around the table on most of these questions I think the group as a whole would have gone a fairly long distance in laying the basis for policy steps that might be taken.

Mr. STAYLEY. It seems to me—and this is in support, I believe, of what Mr. Fairbank said—that in answering these specific questions any divisions of opinion that would develop would probably be traceable to differences of view with respect to two types of underlying questions. I'm suggesting that maybe it might be worth while to examine those underlying questions a little bit at the outset.

The questions that occur to me are these: First of all, what are the interests of the United States in relation to China on certain points, particularly what are our interests in the internal organization and the external relations of China? Are we interested in keeping China from having a, let's say, socialist government or a collectivist type of economic system, or something of that sort? Is that a strong American interest? Are we interested in whether or not China has a, what you might call, totalitarian government, distinguishing between totalitarianism and collectivism, which at least a good many people think might be a form of collectivist, a socialist versus Communist distinction?

Thirdly, are we interested in whether or not China's regime is tied to the apron strings of Russia? Among those three things, which is our dominant concern, expressing my own view it would be the last, from the point of view of the United States policy that what we are mainly interested in is the power of the Soviet Union should not be augmented by having subservient regimes in China and all through Asia and that if the regime in China and other parts of Asia is not subservient to the Soviet Union that it's still a pretty strong interest of ours that it shouldn't be totalitarian because we think that is likely to lead to aggression and it's not good for our general objectives in the world, so we have a considerable interest in the second point that I mentioned too.

On the first point, I would say our interest is much less, that is a particular form by which they organize their economic system; that I just give my own views there in order to show the nature of the question, not to settle the problem.

Then, if we could clear our minds a little on what our stake is, so to speak, with respect to these things—what our major interests are—then there is the other basic question that would seem to underly our answers to a great many of these specific questions, and that is, How do we assess the situation in China now with respect particularly to the realities of the power situation there? Is it or is it not feasible now to do anything to stop the Communist control of all of China? That is one basic question.

Secondly, how do we assess the nature and the prospects of the Communist Party in China? Is it the best bet that the Communist Party consists at the top of a group of determined men who have available modern techniques of control of communications with which they can so mold men's minds that they can and will make it into a totalitarian regime subservient to the Soviet Union; or is it a better bet that at least in China that won't work so well, that the Chinese are very individualistic, that even with modern propaganda techniques and thought control devices and so on, that that isn't too great a danger in China, and that it's more likely that with the help of some mistakes that the Russians may make the Chinese Communist Party will be more Chinese than Russian Communist and, therefore, it's best to put our money on the possibility that the Chinese regime may be weaned away a bit from Russian influence? It seems to me those are two interlocking sets of fundamental questions that personally I have firm convictions on that second sort of thing, and we might well discuss a little bit as precedent to some of the specific problems.

Mr. BALLENTINE. Mr. Chairman, I think that the points that have been raised by Mr. Stayley are all very important but I wonder if they wouldn't emerge as we go along, as we approach these specific questions. I'd like very much to follow Mr. Brodie's suggestion and deal with that first question in the manner that he suggested because I think that that will lead us to these very important points that Mr. Stayley brought out.

The CHAIRMAN. I have a feeling that unless we get down to the concrete essence of these questions we are going to perhaps get into fog here and spend the day on trying to define our presuppositions before we get into the realities.



Mr. MACNAUGHTON. I'm just a plain businessman. This talkie-talkie gets me all up in the air. I'll give you my answer to the first question. Presently I think we are all washed up in China. Secondly, I think we ought to do what we can to keep the rest of the east from going the way China did. Now, shoot that full of holes.

The CHAIRMAN. Now, that is a concrete position. That is in line with what Mr. Ballentine was suggesting and in line with the question asked by Mr. Brodie. Now, can we begin at that? Can we begin with what Mr. MacNaughton said? His position was, as I understand it, that we are washed up in China and—what was your second point?

Mr. MACNAUGHTON. And we do what we can to keep the rest of the east from going the same way.

The CHAIRMAN. Now, there is something to get our teeth into. Personally, I'd like to hear the testimony of this group on those two points.

Mr. BALLENTINE. Mr. Chairman, I'd like to modify that point a little bit. I think that even if we assume that Russian domination of China is an accomplished fact we shouldn't accept that as final.

Mr. MACNAUGHTON. I said "presently," sir.

Mr. BALLENTINE. I said some modification, perhaps a little explanation of your views. I wasn't taking issue with you. That if it is conceivable that China if disillusioned will free itself from the toils thus presenting a situation which we can help, that is all the more important since were China lost to the free world the problem of wresting the further expansion of Communist expansion in the Far East will be much more difficult.

We must always bear in mind that there are at least 6 million overseas Chinese in the territories of southeast Asia and they are bound to go the same way eventually as their people at home and they would constitute a tremendous force and influence towards undermining the efforts, our efforts, to arrest the advance of communism, if we didn't try to take care of the situation in China when and as we have the opportunity.

Mr. COLEGROVE. Dr. Fosdick, I would not agree at all that we are so-called washed up in China and neither that the Nationalist Government is washed up either. These four questions include the question No. 3, which asks whether there are other healthy forms of resistance in China capable of exercising effective leadership to which the United States could give support.

Now, Mr. Kennan, this morning in his very able, cool, calm, deliberated, comprehensive statement that he made before us in opening this conference, said that the Chinese Communists did not control at the present time a one-half, or what he used was a major part, of China. The fact, of course, is a fact and we might as well operate upon it. Are there other healthy forces that are still resisting the Chinese Communists? Well, to name one, there is General Uai, who has according to our latest information controlled at least three Mohammedan provinces—and we know how Mohammedan countries look at communism. It seems to me that General Pai Chung who still is loyal to the Nationalist Government, is one healthy source still remaining which deserves the assistance of the United States.

I take the position, also, of course that General Chiang still deserves our support. We have, of course, General Chennault's plan whereby he thinks that he could save a large part of China with the expenditure of not more than \$200 million, following tactics which he used during the world war. I won't agree at all that we are washed up in China. There are healthy spots which will still resist the Chinese Communists and which deserve our attention. Of course, my assumption is that our policy in China should be the same sort of policy in Europe, viz, to resist totalitarian regimes which carry on aggressions very much like the aggressions which Hitler carried on at the beginning of the world war.

Mr. BRODIE. Mr. Chairman, it seems to me this is one of the several questions on which we would particularly benefit from the views of General Marshall.

The CHAIRMAN. I haven't ventured to call on General Marshall because I didn't know whether he wanted to participate in the discussion or not.

General MARSHALL. I think it would be very much better, on account of my intimate connection with the operation as you well know, if I didn't do any talking yet.

Mr. COONS. Mr. Chairman, may I suggest an alternative. It seems to me that some of us, even the professors, may desire some briefing from intelligent sources as to whether or not it is conceived in a military fashion or politically that there may be healthy forces of resistance in south China that are capable of exercising some effective leadership into which support can be given. For example, I for one had in my mind the question of just what is the station of



General Pai Chung Hsi. What is the organization of the situation at the present time? I think that that may be a set of facts that the State Department might wish to brief us on. I rather imagined that Mr. Butterworth would do that, but we didn't have that.

May I, before closing, just add a facetious note. Question 3 reads "Are there any other healthy forces \* \* \*?" and in the light of question 2 in the white paper that seems just a little funny. [Laughter.]

The CHAIRMAN. I might say in answer to your question on the military situation Colonel McCann is here prepared to brief us on that question. I suggest that that go over until this afternoon and I think that, although there are certain questions of security that will have to be taken into consideration, Colonel McCann can be fairly frank with us on that point.

Mr. LATTIMORE. Mr. Chairman, just a point of information. I thought I heard Mr. Colegrove say that General Pai Hsi controlled three Mohammedan provinces. I was wondering if he would name them for us.

Mr. COLEGROVE. Well, Mr. Lattimore, I didn't want to put up any military information that the State Department has, but it is reported in the press that General Pai is still holding Mohammedan provinces. I don't know whether that is correct or not, and that is one thing we would like to be briefed on.

Mr. DECKER. I would agree that we are by no means washed up in China. I think it's very important for us to keep that constantly in mind. I do so, however, for a different set of reasons than those I believe Mr. Colegrove advanced. I think there is no doubt whatever but that the leadership, the present political leadership, of the present regime in China is Communist and certainly for the time being at least is thoroughly committed to a Russian line. I think it would be very foolish if we were to assume anything else. But it's yet to be seen how effective that group is going to make that control of China itself.

Those of us who went through the revolution of 1925 to '27 or '28 know how quickly these enthusiasms can spread in China and how quickly disillusionment can follow. And I do not think it is wishful thinking to point out that the Communist Party has got to navigate the same waters that wrecked the Kuomintang and if we have got to look any further than the end of our noses I'm very sure that we ought not to assume here that it is going to be able to make China as a whole an effective cat's-paw of Russian policy or that it is going to be able to set up and to maintain a stable effective government over the continent of China.

Then there is another thing. Experience in one of these revolutions has taught us how quickly an anti-American or antiforeign or antieverything else kind of a movement can change into something that is very different. And I for one don't for a minute believe that the good will toward America that has been such a fact in China in past years has all been dissipated. Some of it has been dissipated. We have suffered seriously. There is no question about that. But that it has been completely dissipated, I think is not in accord with the facts.

Then, too, we know what a tremendous place the American people and the American institutions have had in the training of the only effective Chinese leadership that the Chinese people have, politically conscious people, people who have ideas of modern government and who will have to be depended upon to be the backbone of any government which is to emerge in China.

The contributions of those who have been trained in Russia have also got to be reckoned with. But it is going to take more than a decade of this kind of a regime to persuade me that the effects of that good work that we have done in the past has been totally lost and so, if the first question assumes that the present regime in China is bound—it may be I admit that, but that it is bound to be a cat's paw of Russian Communist imperialism I think we are basing our argument on a false assumption.

Mr. MURPHY. On the question of whether we are washed up in China, if by being washed up in China means that we have lost the capability to make China completely an instrument of our own policy, as is the complacent attitude of a great many Americans, I think we are washed up. But I don't think we can—and I don't think basically that is a justifiable assumption. Just after the question of being washed up was made, somebody made the remark that we could assume that Russian influence would automatically predominate in China. I think that is a very unsound assumption. I think it's a matter that we can spend a great deal of time investigating and discussing.

Mr. Colegrove raised the point of the three Mohammedan provinces that were run by General Pai Chung Hsi and the question of using various other Kuomintang forces in China as a point against the Communists. I would say that his



newspaper information was probably about 2 weeks out of date because the newspapers in articles for the last 2 weeks have carried, it seems to me, a continuous report of the going-over of all those provinces into the other capital (?). And the Foreign Trade Council just this week put out a memorial reporting a statement made by the American Chamber of Commerce of Shanghai which was sent here to the State Department in which our businessmen in Shanghai stated among other things that the Nationalist government is finished for the foreseeable future and please—so their throats won't be cut—don't send any more money over there for the central government, such as the \$12 million just that week, 2 or 3 months ago, that has been sent over for military supplies going to them.

Mr. MACNAUGHTON. Doesn't that maintain my point that at the present they are washed up?

Mr. MURPHY. If that meant we had the capability of using China narrowly as an instrument of our own foreign policy.

Mr. KIZER. Mr. Chairman, in the sense that Mr. MacNaughton used the word, I agree with him heartily that we are washed up in China. I take it that Mr. MacNaughton meant that the policy of pouring lavishly arms and support in the hands of the Generalissimo has been demonstrated to be a complete failure, that we ought to think our policy out in new terms. As to Dr. Colegrove's suggestion that there are healthy sources of resistance, I suggest that they only appear healthy in areas where they have not yet been effectively challenged by the Communist group. There are no, under the Nationalist Government as far as I know, healthy sources of resistance, particularly once the Communists have made such a display of military force as they have made.

Whenever those are approached I believe they will do just what the others have done, they will surrender. And I think we ought not to rely upon it. Anyone, it seems to me, who has read the report of Major General Barr and the JUSMAG group in the white paper, anyone who has read the report of General Wedemeyer on what Chung Hai did in Formosa must, I think, come to the conclusion that the use of military force or assistance by us to resisting groups in China is a tragic mistake, that the quicker we drop it and move to other resources we have in our hands the better we will be off. We have succeeded to a large degree in Europe because of the effectiveness of the Marshall plan and the use of economic and social forces. We couldn't use those in China because such as we sent over under UNRRA and under our assistance simply were used as instruments of war by the Generalissimo. We haven't done anything in that sense for China except on a very small scale.

I'm in hearty sympathy with what Mr. Decker has said about the potential sources of support for us that exist individually in China, what has been done there. I think that United Service to China, I think that what the missionaries have done, have created many places of good will. I know now that there are missionaries of ours in China, and I speak as one not interested in the missionary movement except in an economic and political sense, operating in China behind the Communist lines that have established sources of friendship there and are getting on in a way that is surprising. And I know that that sort of thing can be continued.

When we come to the economic and social assistance that we can render in the Far East I should want to speak again, but just for the present I do want to emphasize the fact that our military assistance to the Generalissimo as a policy is completely washed up, as I see it.

Mr. BUSS. Mr. Chairman, I should like to observe that Mr. MacNaughton's remarks and Mr. Murphy's remarks were not the same. Mr. MacNaughton said "we are washed up in China." The Foreign Trade Council's report is that the Nationalist Government is washed up in China. It's a dangerous identity to put ourselves "we, as the Nationalist Government."

Mr. VINACKE. I'd just like to make my position clear by reformulating the first question. It seems to me that American policy should be directed toward maintaining normal access to China but not in establishing or seeking to save China for or against any particular type of regime. Beyond that, American policy, it seems to me, should be directed toward the trying to insure that any regime in China, as far as we can, is independent of any external control including our own.

The CHAIRMAN. Now, gentlemen, it's quarter past 12 and that was the hour we set for the reason that we will have better luck at the lunchroom on the second floor if we go down there early. May we adjourn now? Do you have something to say, Mr. Russell?



Mr. RUSSELL. I would like to call your attention, please, again to the essentiality of visiting room 7258, which is two floors above this, either during the luncheon period today or tomorrow in connection with the transportation and other bookkeeping items. Then we are going to meet here again at 2 this afternoon.

The CHAIRMAN. Yes; we will reassemble in this room this afternoon at 2 o'clock.

(The meeting adjourned at 12:20 p. m.)

#### AFTERNOON SESSION

Mr. RAYMOND FOSDICK (chairman). Gentlemen, we agreed this morning that we would start off this afternoon with a briefing on the military situation by Colonel McCann, who comes from Central Intelligence. Colonel McCann, will you take over.

Colonel McCANN. Mr. Chairman and gentlemen, this map shows the general military situation in China with China orientated in relation to the rest of the Far East.

The total opposing forces in this situation are on the order of 4,000,000 Communists and something less than 1½ million Nationalists. The Communist forces are divided approximately equally between irregulars and regular combat forces. The latter, generally speaking, are well-led and well-equipped. They enjoy high morale, high combat effectiveness, and have demonstrated a particular mobility in their operations.

The Nationalists, which total something under 1½ million, include a disproportionately large percentage of service forces which are not used in combat. The combat forces include a small navy and air force, totalling something between 800,000 and 900,000. The Nationalist forces are characterized by professional ineffectiveness and, generally speaking, they lack the will to fight. The low morale of the Nationalist forces invites Communist subversive activities.

Added to the numerical and qualitative supremacy of the Communist forces is the geographical isolation of the major groups of residual forces. This enhances the Communist capabilities for eliminating those residual forces successively or simultaneously.

There are a maximum of 100,000 force in the northwest which have withdrawn before a Communist advance of over 700 miles which has over-run most of Chinghai Province and parts of Ningxia and Kansu Provinces in 3 months.

The forces apparently available for the defense of Szechwan and Yunnan Provinces in the west and southwest total about 200,000. These are under the nominal centralized control of Chang Chun. Actually, the great bulk of these forces are loyal only to their immediate war-lord commander. Even for a brief defense of Szechwan Province there are probably not over 50,000 troops.

As to Yunnan Province there are already good indications that the local authorities there are not to be depended upon in a show-down. The recent publicity on Governor Lu Han's coup, or attempted coup, indicates that on the surface the Generalissimo has settled that problem. However, it appears to be a temporary settlement of expediency on the part of Lu. Already there are considerable areas in the provinces which are under control of the pro-Communists and bandit groups.

In the general area of Canton there are three commands. The bulk of the forces are under command of General Pai Chung-hsi and occupy the northern sector in the Kwangtung territory.

The Communists have been maintaining pressure on the defenses of Canton as noted by a succession of probing attacks and advanced operations by irregular forces operating in front of the regular combat forces. The Communists are believed to have the necessary preponderance of military strength in this area to mount an assault at a time of their own choosing.

It is currently reported that the forces on General Pai's right flank in this approximate area have been ordered to withdraw into Canton even prior to the Communist assault on orders of the Generalissimo. If this withdrawal takes place it will expose Pai's right flank and expose him to being cut off from the coastal area. It would appear that he would then have to make an early decision between holding his position and fighting out a decisive but losing battle in his present area of occupation.

The alternatives that are available to him appear to be to withdraw into Kuang-si Province and postpone the final decision, or, secondly, to make a deal with the Communists.



This latest of the Generalissimo's interference in mainland military operations has followed his refusal to afford assistance to the mainland commanders since the fall of Shanghai in May. It is on this point that the residual commanders frequently tend to blame their reverses. None of them seemingly take into account the fact that in this interim none has attempted to provide an inspiring leadership to cooperate among themselves in a joint effort.

In the east China-Taiwan area we find the region of the Generalissimo's particular concern. In this area he has approximately 300,000 troops, including navy and air force. This area is under his personal command and that of his most trusted general.

Numerically this force is probably adequate to defend the island of Taiwan indefinitely. I should say that most of these forces are in Taiwan itself and numerically the garrison is probably adequate to defend the island. Moreover, the Nationalists, with their navy and air force, have a considerable capacity for resistance to the very limited Communist amphibious capabilities against Taiwan. This despite the fact that there is a low percentage of combat effectives in the Nationalist garrison in Taiwan and despite the fact that defense preparations are not in evidence. The Communist capabilities for taking Taiwan are greatest in causing the fall of the island from within.

The discipline and morale of the troops is at a low ebb. It is the result of past defeats and inadequate leadership.

These factors create a situation in which active Communist subversive activity is effective. The Communists are already known to be infiltrating the island.

There is another factor on Taiwan. The excesses of the Nationalist administration in Taiwan since VJ-day have earned for the Chiang Kai-shek regime the earnest hatred of the Taiwanese. This has a twofold effect. First of all it has a bearing on the probable effectiveness of the troops in the garrison there. Secondly, it provides a second fruitful field for Communist subversive activity on the island.

In the light of all these considerations, it seems probable that a Communist take-over of Taiwan probably would not be preceded by a major military assault of the island.

In summation, the life expectancy of organized Nationalist military resistance in China is extremely short. Generally speaking, the Communists will set the time table. Not only do they possess the predominant military power but more importantly they will not rely on military force alone to achieve their objective of extending their control over all China.

Mr. HEROD. I would like to ask, is there any information or intelligence that leads you to believe any munitions—arms—or military support, if not generalship, is coming from Russia?

Colonel McCANN. There have been numerous reports to that effect as the Communists have advanced. It is becoming increasingly difficult to get exact information. While we had representatives in north China and Manchuria, United States representatives when confronted with this proposition by the Nationalists, asked for proof. They were not given substantial proof of the allegations. At the time the Communists took over in the Peiping-Tientsin area there were observed some Russian-type trucks and vehicles but in such small quantities as probably to be insignificant.

Mr. COLEGROVE. May I ask Colonel McCann what is the position of the Red army in North Korea? Has it withdrawn, and, if so, what is the character of the Korean Army?

Colonel McCANN. The Soviet Army announced its withdrawal last December from Northern Korea. As far as I know, it has been substantially carried out. The Northern Korean forces received a degree of training and secondary equipment from the Russians prior to their withdrawal. There might be still an advisory mission there.

Mr. HEROD. To what extent have American munitions and instruments of war found their way into Communist hands?

Colonel McCANN. There again we lack the facilities to make an accurate survey and come up with current figures. I can give you indications of it. The Communist forces that took over Tientsin were so completely equipped with American equipment that they appeared to be American-equipped units. Certain Nationalist units that had been United States equipped some months back were defeated or surrendered, and something like three-quarters of their equipment fell into the hands of the Communists.

Mr. PHILLIPS TALBOT. Is there an available estimate of the magnitude of American aid that would be required to extend the indicated life expectancy of Nationalist resistance, if such a policy were determined upon?



Colonel McCANN. Such an estimate would have to be based on who are we going to support and to what purpose—what are the means available for getting the material to them—how soon can you get it to them—under what circumstances will they use it?

Mr. TALBOT. Your statement of indicated life expectancy of the Nationalist forces was based on present American policy in relation to Nationalist forces. Is that correct?

Colonel McCANN. Yes; necessarily so.

Mr. JOHN W. DECKER. I wanted to ask, Is there any evidence the Communists will develop a reconnaissance or tactical air force?

Colonel McCANN. No Communist aircraft have ever appeared over combat areas. It is known that they have acquired through capture or defection—captured on the ground or actual defection—small numbers of Nationalist aircraft, and they claim some thousands of Nationalist air force personnel have gone over to them, but their claims in that respect may be exaggerated, but so far there have been no indications that they have any effective air arm at all.

Mr. TAYLOR. Could you tell us about the oil supply of the Communist armies? According to our observers, they are well disciplined, highly mobile, and highly mechanized. Where do they get their oil?

Colonel McCANN. I would agree with you on all points except that they are highly mechanized. While they are highly mobile, it is by marching rather than by any mechanization.

Mr. STASSEN. To what extent are the commanders of these 2,000,000 Communist forces decentralized and to what extent is there an effective centralized command; in other words, are there a series of units under separate command or are they very clearly under one centralized control?

Colonel McCANN. In the operations prior to the crossing of the Yangtze River, the major field commanders apparently had considerable independence in the conduct of their operations. Subsequent to that time there are indications of increasing centralized control of those major field commanders.

Mr. STASSEN. Is there any information as to how that centralized control is being equipped?

Colonel McCANN. As far as I know it is being equipped.

Mr. STASSEN. Are there any significant Nationalist generals who are still in command of troops that have gone over?

Colonel McCANN. None have appeared so far as I know. I think it is likely that these troops have been taken and used in the Communist forces but not as units.

Mr. STASSEN. At the end of the war with Japan, what was your estimate of the Nationalist armed forces and of the Communist armed forces in numbers?

Colonel McCANN. At that time the Communist forces were estimated in the neighborhood of 800,000. Of those, not much more than half were considered to be adequately armed even with rifles. The Nationalist forces at that time totaled something in the neighborhood of 2¾ millions.

Mr. VINACKE. The 300,000 Communist troops—are they indoctrinated or are they professional soldiers working temporarily under Communist Party control?

Colonel McCANN. I think it has been a feature of the Communist program to indoctrinate anybody coming under their control and going about it rather thoroughly.

Mr. VINACKE. And it has been done thoroughly in the case of Chinese troops?

Colonel McCANN. Things have expanded rapidly, but the troops under their control are becoming more thoroughly indoctrinated every day.

Mr. VINACKE. How much use is made of the political commissar in connection with the command of the Communist armed forces?

Colonel McCANN. I believe they follow that pattern.

Mr. STASSEN. What is the nature of the terrain on the southwestern half roughly of China, compared to the northeasterly half so far as military operations are concerned?

Colonel McCANN. The answer to that is that it would have been possible to present quite a clear-cut picture a few months ago. In general, it would have been possible to say that the Manchurian area and not the China area is fairly level and militarily favorable to operate in that area.

Mr. STASSEN. How does their advance now compare to the Japanese advance at the high point of the war?

Colonel McCANN. The Japanese on an east-west general line were in about that far. The Communists had moved into this area and somewhat down into here, and in the east China section there was a considerable area that the Japa-



nese had moved through but did not hold. That is generally believed to be under Communist control at this time.

Mr. BERNARD BRODIE. To make what is admittedly a far-fetched assumption, supposing a change in American policy should somehow enthuse a new spirit in the Nationalist armies in the south, are there any reserves, or any men having some amount of training, that might be called upon to fill out those numbers that are indicated on the map? Do those figures represent existing combat effectives or do they take into account what might be considered available reserves.

Colonel McCANN. Those figures represent the strength of the so-called combat units. They are not necessarily indicative of combat effectives. As to the reserves and even the troops here in question, I think the problem of turning them into effective forces would require, among many other things, starting from scratch with the individual soldier.

Mr. BRODIE. In other words, there are no men not already in the army service who have some military training in the area still under control of the Nationalist armies.

Colonel McCANN. I would say they have no effective military training.

The CHAIRMAN. A week or two ago Governor Stassen came down to see us, and we had an interesting talk with him. I suggest at this time that we ask him, if he will, to talk to us so we can have the benefit of his counsel before he has to leave us.

Mr. STASSEN. Thank you, Doctor. I might say that it is with considerable reluctance that I explain my position before all these experts. I am willing to do it with the same motives I discussed with Dr. Jessup's committee in September. I state my views in the hope that I might contribute something toward thinking through to a new policy in Asia. I understand that is the process now going on.

I might say that my reluctance to state my views is increased by the fact that present at this table is the man who many years ago attempted to give me my first information about China and Asia—Dr. Harold Quigley. I add with a smile, that he will in no sense be responsible for what I say today, even though he did stimulate my original interest in Asia many years ago at the University of Minnesota.

I am willing to give my tentative views very frankly and precisely in order that it might contribute toward seeing where we are at in Asiatic policy.

I have been listening with a great deal of interest to the discussion thus far and will participate as much as I can throughout the remainder of the conferences. I am gravely concerned about the future of our American policy in Asia—perhaps more so than I should be—but I give you the basis for my deep concern for your own evaluation.

In my judgment, Asia is No. 1 on Russia's board. I think that Russia puts Asia up in first place in her considerations. I say that notwithstanding the other recognized centers of industrial power in the world that Mr. Kennan discussed this morning. I say that because the geography of the situation is such that Asia is the under belly of vast Russia. Russia has one projection out toward Europe, and the other projection out toward Alaska, and the under belly is Asia. The Russians are very security-conscious, but I do not agree with Mr. Kennan that you can consider that their thinking is different from Hitler's; that is, I do not feel it is correct to say the Communists are less aggressive in their tendencies than Hitler was.

While it is true the Communists consider that capitalism has the seeds of its own destruction, I understand their doctrine to be that, when capitalism sees it is about to be destroyed by those seeds, capitalism will begin an imperialist war. The Communists have demonstrated before, in the case of Finland, that they will take aggressive advance action, in an effort, as they see it, to prepare themselves for an inevitable capitalistic imperialistic war. Thus I say that in our world strategy we should consider aggressive action by the Soviet Union as one of the definite alternative possibilities. In that sense I put a different interpretation than Mr. Kennan does on the world picture.

Looking at the over-all objectives of our country on a world basis, it seems to me that clearly these objectives are to advance the standards of living and the freedom of peoples throughout the world; and to do so in a world at peace. We are going to have peace, for a generation at least, unless Russia commits aggression. I see very little possibility that there would be any war on this earth of any consequence in the next generation unless Russia commits an act of aggression. Therefore, the great problem of peace in the atomic period focuses down



to our key consideration of what will affect the policies of the leaders of the Soviet Union. I believe that, so long as the Kremlin leaders are uncertain about the future of Asia and of Asia's attitude, they are not very likely to commit aggression. That is why they are at this time giving great concentration to Asia.

They are starting with their infiltration methods throughout Asia—and not just in China.

I do not feel that within a generation anyone will draw from Asia any great forces or any military potential to play a part in aggressive action toward some other continent. But I do feel that the question of whether the military forces of Asia, limited in their military effectiveness though they may be, need to be contained by one side or the other in a world struggle, might be crucial in a future war. That status of these Asiatic military forces therefore might be crucial in a decision by the Kremlin as to whether or not a war should be attempted. That is one reason why there are many indications of concentration on the part of Russia upon Asia as No. 1. They are now in the early stages of their concentrated attempt to consolidate the vast area of Asia.

Moving on from that analysis, it therefore follows that very high American policy should be the determination to prevent Russian consolidation of Asia. I have the strong feeling that we are spending altogether too much time thinking of a China policy as a separate matter. I think that is a very unfortunate aspect of our thinking in these recent months and years. I emphasize also that, as I see it, we are not meeting to either approve or condone any past act, but the question is, Where do we go from here.

I think it is of vital importance that our country adopt a comprehensive Asiatic policy, of which the Chinese situation is an important part but definitely a subordinate part of the whole Asiatic approach. It is not quite so significant how far the Communists advance in China, or just exactly what happens in the Nationalist Government or the Communist government of China. The question is, rather, how does this all affect the whole vast area of Asia. As we all know, more than half the peoples of Asia are outside of China—in Malaya, Siam, Burma, India, Indonesia, Indochina, and the Philippine Islands.

Looking at the total situation, our country should at the earliest date, which presumably would be after Congress meets in January, initiate an economic aid-to-Asia program. The exact framework and details must be developed as time goes on, but I think some comment could be made on details at this time.

If we continue for a long period an atmosphere that the United States is awaiting to see what happens in Asia, the result is a vacuum. Certainly all the lessons show that the Communists thrive on vacuum. They push into a vacuum with rapidity. So far as possible, we must not permit vacuums to be present in Asia. Therefore, we should establish an aid-to-Asia program and we should decide, considering all the total demands upon our resources, what we can afford to spend in Asia. Clearly our own defense forces, the Marshall plan, and the arms for the Atlantic Pact members must all be firm and prior commitments. Our own internal problems of social security for our own people and of expenses of our Government are also demands upon our resources.

Furthermore, there is a limit to our resources. But it seems to me, when you add all those things up and look at the world picture, we not only can afford up to one-fortieth of our national budget for Asia, or one two-hundredth part of our year's annual income, which is one billion dollars a year, but we cannot afford not to do it. We should also establish a headquarters in Asia for the program.

It is my feeling that Bangkok in Siam would be the best headquarters for an American office for an aid-to-Asia program. From this headquarters this affirmative aid program for whatever area remains not under Communist domination in China and in the rest of Asia should be carried on.

In many respects it should be similar to that superb plan in Europe which is named for the distinguished American that sits at this table, the plan that has done so much for the advancement of the world's peace—the Marshall plan. Of course, in other respects it must be very different because the conditions in Asia are so different.

I would say it should be a firm rule of that plan that we do not hand out any aid to or through any governments in Asia because of the experience and the knowledge of the corruption and weakness of those governments. We should consult with governments as to what is to be done, and we should have joint committees for operation; but the aid must be handed out directly through American agents, having in mind not only the corruption but also the great importance of evidence of aid from the standpoint of good will among the peoples.



In this positive program for China and for the rest of Asia, I would try to do such things as the drilling of wells in those plateaus that have good water—with good well-drilling equipment, the development of land use in conservation and fertilization. Admittedly this would make a small dent on that vast area, but those are the types of constructive things that should be carried on. A portion of the program should include underwriting American private capital in going in and developing some of the natural resources of Asia. Underwriting under point 4 or a clause similar to the Marshall-plan provision would be appropriate. From the special headquarters in Bangkok, selected for its central location and stability, an air service should be instituted with planes with American flags on them flying once again throughout Asia, carrying officials and some of the minor supplies. Some newsprint and informational services throughout the whole of the Asiatic area should be provided. Of course, measures having to do with health and with education would be included.

In other words, the immediate and the long term to me are not two separate problems in Asia, because there is only one kind of program you can have in Asia and that is a long-term one, because it is a long-term continent as I see it and its position with reference to Russia.

Now, then, this economic aid-to-Asia program I would put up first and carry on regardless of what happens in China. From the military side, which clearly should be a separate program and should be under the direction of our own military leadership, I would emphasize here that there may well be intelligence information which I do not have, and do not seek to have, which would vitiate the position I take.

I do not feel anyone can be certain that you can write off non-Communist China at this time. I think there should be encouragement to opposition to the Communist advance anywhere in Asia, and with the rough terrain to the south you might well find there would be considerable pockets of opposition that would continue on for a number of years. During those years of the problems of the Communists in the rest of China will clearly multiply.

Mr. Kennan has correctly said that China is the most have-not of the have-not nations. This is the first time that the Communists have taken over a have-not nation. We all recognize that Russia has tremendous resources. When the Communists took over Russia with its great fields of grain, and mineral resources, and coal mines, they had within their borders a lot of natural resources. Now they are taking over in China what clearly should be characterized, in relation to numbers of population, a have-not nation. The likelihood is that in these next 2 or 3 years, while the pockets of resistance would continue in the non-Communist China, a great amount of difficulty will arise in those areas under Communist domination, possibly leading to starvation within the Communist area and riots causing great difficulties that no one can foresee.

I had a conversation with one of the men most informed about the whole of China and of Asia. When I asked him at the end of the war what would happen in China, he said: "Governor, if anybody asks you what will happen in China, don't answer him." There is a lot to that kind of advice. Nobody can draw a blueprint for the future of China.

I do know that in some respects the Communist advance through south China has been slower than it was estimated; the advance up in northwest China is faster than it was estimated. We are inclined to think, from our standpoint, that the withdrawal of forces show weaknesses. But, if you are facing a million men with 250,000 men and with lack of morale, maybe the best thing you can do is try to keep your men intact and keep on withdrawing until you get to the very nethermost areas of your country. I mean China is so different that you should not attempt to appraise it from our standards. I think there is every indication that if we have a basic policy of opposition to the Communist advance, and opposition to the Communist consolidation of Asia, that then we should play out every card of opposition. That, of course, means that it would be unthinkable to recognize the Communist government in China and to withdraw recognition from the National Government. Even though the last vestige of military opposition disappears, in my feeling, very strongly, a number of years should still go by before we recognize that new government. We must remember that the recognition of the new government would have a tremendous impact throughout Asia. It would place the new government with a seat on the Security Council of the United Nations, with full veto power. In my judgment it would be one of the most tragic moves we could make in the long-term world strategy. I feel very strongly that we should not recognize the Communist government in China even though they go on and consolidate



the remaining area, which may still be a long way off in the very rugged terrain of the south of China. I am thinking again from an Asiatic and a world-wide policy rather than exclusively the China policy.

On the other military question, I am inclined to feel that Formosa is an important strategic area for our own outer perimeter. Here again the military judgment should carry. There are excellent airfields in Formosa. If antagonistic air bases exist on Formosa, the Philippine Islands and Japan are quite effectively severed from each other. Formosa is immediately astride of the airway and direct seaway. We should have in mind the psychological effect of a firm position and the fact that Formosa is still in an uncertain legal position because, when the war ended, China was not given the Nationalist Government.

China was only given the right to go on Formosa to disarm the Japanese. There had been no peace treaty, no decision handing Formosa to China. The legal situation as to Formosa is an uncertain one and an undecided one. In view of that and in view of the picture in China, I feel that we ought to ask the United Nations to take the position that an attack on Formosa would not be countenanced at this time. Obviously, the United Nations could not take such action under the veto of Russia. We should then announce that we consider Formosa a very vital part of our perimeter and that we would not permit an exterior armed assault on Formosa. That is a very firm position to take. I think the whole picture requires some of that kind of firmness. If Formosa falls by internal infiltration, I feel we should not and cannot take action to counteract that. We should not land troops on Formosa, but we should take a firm position against assault from the mainland of China upon Formosa.

I think if the British take a stand in Hong Kong we ought to back the British up with everything they want us to back them up with in Hong Kong. These are matters of alternative, and if the British, who must be our close partner in this world picture, decide they are going to stand and fight, what do we do? Do we appear before the world as weak and indecisive? Do we back away from our British friends, or do we send ships and give them some air cover and do that sort of thing and indicate that we stand with them in a firm position against the Communist assault in Hong Kong? I grant these are grave decisions, but I think the whole picture demands that kind of very firm action. This military side leads to the question of Pacific pact. I know of these statements of Quirino and Rhee, and others. I cannot see that an affirmative Pacific pact of the nature of the Atlantic Pact can be solidly formed at this time, because I do not believe that India could join such a pact now, and I think that India must be a major consideration in our Pacific policy. Therefore I think we ought to say to Quirino and Rhee that we do not think they should take action unless Nehru joins in it, and that will automatically defer it and cause a more gradual policy in that area. It ought to be our position that as far as association of the non-Communist area of Asia, it should not move any faster than Nehru is willing and India is willing to go along with it. We should develop an economic relationship in India which, I understand, the British have made more open to us now, by sending in equipment to assist in the development of hydroelectric power and of dams, engineers, and capital and supplies and all that that involves. With these measures should be included constant pressure, not too great, but definite, upon the Dutch and the French to work out their situations in Indochina and in the Indies on a favorable basis. Perhaps if the Dutch policy now evolves into fair stability that pattern might be the basis of pressure on the French to try to move in the same direction. It will be slow and difficult; there will be set-backs; but I think it is the unending kind of thing we must do in Asia. I do feel strongly that adopting an over-all coordinated policy and putting it under able men who are out there in a headquarters at Bangkok, and who then will give it body and sinew and detail—much as did General Marshall and then Paul Hoffman in the Marshall plan—that kind of a development out of the beginnings of a broad policy will lead to a hopeful situation. I am perfectly willing to contemplate that the Communist advance might go a lot further before it subsides, and the question of its subsiding is really the question of our own fundamental future.

That's an outline of my thinking and I state it, not with an attitude that here are the answers, but more to expose in definite form a set of thinking that has developed over a period of years so that it might be differed with, it might be modified, and we might contribute toward an answer. I have purposely refrained from discussing the situation publicly since the white paper was published because I felt that by direct conferences with Dr. Jessup and such as this there might be a better chance of developing governmental policy than by any public debate at this stage, at least, on the situation.



The CHAIRMAN. Thank you very much, Governor, that's very helpful and it is right in line with what we were beginning to talk about this morning when we adjourned. I haven't the slightest doubt that there are questions and comments on the Governor's proposal and also growing out of the point that we were discussing this morning.

Mr. FAIRBANK. Mr. Chairman, I agreed so much with the intent and some of the first part of Governor Stassen's statement and not with the latter part, so that I hope that he stays here long enough and we can discuss things back and forth, because I think the intent is part of our American tradition that we help Asia to help itself and thereby help ourselves, and yet I think some of the practical measures that Governor Stassen mentioned are not the way to operate to reach this intent. Rather than take them up as incidental items, I would generalize that we have to approach Asia in such a way that we get the majority of Asia working with us. That means that we are working with them. The Communist and the Marxist approach and the Russian approach is succeeding because it is getting into a rapport with these revolutionary forces in Asia, of question 22, which we are not equally in rapport with, and our problem is to ally ourselves with the forces of the future in Asia, which I think we can do. The peasant, for instance, is there to be organized, revolution is there to be led, and our problem is to relate ourselves to these movements in Asia, not try to do the job alone, and that is the specific aspect of Mr. Stassen's remarks that it seemed to me to be difficult that many things he mentioned would be things that we would be trying to do alone or that we would be trying to take a leadership which might not carry people along with us.

Mr. STASSEN. In what respect? I didn't mean such an aspect to it.

Mr. FAIRBANK. For example, setting up a headquarters in Bangkok might be difficult, and a headquarters anywhere might be a target which the Communists could bedevil us with and we wouldn't get out of it as much as we would lose by it. For instance, the suggestion of an air service with the American flag might antagonize the nationalist feeling of countries and make them feel threatened more than it would impress them and bring them to our side. And similarly, the manner of our doing it, it seems to me, is most important. It has to be done in a way to conciliate, persuade, and push the Asiatic forward. The further factor in all of this, I think, is the world view on which we operate, and I bring that up because we are up against Marxism. The Marxists have a world view and they sell it and it is being accepted, and, as Mr. Kennan pointed out, so much of it is phony and yet succeeds or works along at least for a while. The Chinese intellectuals are accepting Marxism; they are accepting the Russian world view that we are imperialists, and for certain reasons which we cannot help. This Marxist world view is an explanation of the world's evils; it is an explanation of our activities; it is an explanation of how we can be such good people individually and have the good intentions which Governor Stassen has mentioned, which we share, and yet be imperialists. It is all consistent in this Marxist world view. We have to recognize that we are working not to get control over territory or supplies or anything else, but to get the allegiance or the alliance and get into our camp the minds and beliefs of these Asiatics.

Well, now, it seems to me we have not competed on the side that Marxism is so successful on—the ideological side. Our difficulty is that as has been said, Asia is so different that the things that seem obvious to us do not seem obvious to them; the things we want perhaps they don't think of. To take one example: The white paper, in the letter of transmittal, referred to the support of democratic individualism—the democratic individualism of China. Well, now, that phrase translated as “democratic individualism” into Chinese is not a golden word but a garbage word to the people in Peking, because “individualism” interpreted in their present lingo means the chaotic, selfish, personal, family centered antisocial activity of individuals rather than what we think it means—the development of the individual as we would like to see it, which is one of our great ideals. So that the word has turned turtle on us and that phrase has been picked out of Mr. Acheson's letter and used against us by the Marxist and the Chinese Communists. And, therefore, in the realm of operation we have the mechanics, logistics, supplies, and the know-how and economic development potentialities, but to put these things together it seems to me we must aim primarily at getting a world view formulated more specifically for Asiatic consumption. And, of course, as a liberal country we have many world views, many formulations, no party line, yet it is possible for us, I think, to pay more attention to our view of how the world is going and be more specific in offering alternatives to its going in a Marxist direction. Well, now, this world view applies directly to the way



we operate. You see, we can so easily do something which is absolutely sound from our point of view, which is operationally correct, unselfish, which is aiming at an excellent objective in Asia, yet can be labeled "imperialist" and turned against us unless we have this ideological context properly under control. And it seems to me that the way we are losing is that the Russians, being closer to the Asiatic scene as a peasant, undeveloped area, have at present got the jump on us in the ideological context on how to interpret our activity, and so this is partly just ideological warfare, but it is also a vital link in the whole chain of getting those people on our side or keep them out of the other side.

Mr. STASSEN. I still don't see how you would differ in how you move on your economic aid. Would you give economic aid to the area?

Mr. FAIRBANK. I would start off at the other side of Asia. I would go to Indochina and I wouldn't hold Formosa against the Chinese Nationalists. I think we must play a long game for China. We have got to play it for the long term. To try to hold Formosa with troops would give so much ideological ammunition to the Chinese Communists that it would unite China more readily against us. The more pressure we bring, the more we can expect hostility in return. The Chinese Communists are prone to regard us as imperialists who are threatening them; they are suspicious of us; they are always talking about spies and saboteurs coming from us, and they have got to have us as enemies to hold their system together. The more we play the role of enemy the more we play into their hands in that respect. Now if Formosa were an absolute life-and-death matter to us, that would perhaps take precedence, but I think we have got to consider all of Asia as a life-and-death proposition. We have got to go into places like India. To hold Formosa would defeat our ends by a miscalculation of the response in China, just as our military support of Chiang Kai-shek defeated our ends because we couldn't foresee his inefficiency and that Chiang would have a lack of support, and so on. That's a specific example on Formosa.

In the case of economic development, it seems to me we must give these Asiatic peoples the feeling that they will have a chance to use our resources and aid without getting too much involved in trade with us nor tied up with our economic nexus. They have in mind, from the Communist stuff that has been fed them, that we are dangerous economically because we go into depressions, and that's a theory we have got to combat. We have combatted it because we haven't got into depressions, but still Marxism feeds them that line. The intellectuals in Peking are being told now that the United States is in a depression; it must be, because it is a capitalist country. And so a certain kind of economic connection may seem dangerous to them.

Mr. STASSEN. We might focus on that economic thing for a bit. Suppose, as I envisage it, that in various areas of south Asia American economic aid is coming in and getting some results in improved crops, in slightly better living conditions, in improved water and irrigation, and all that goes with it, whereas up in the Communist area of China they are going into a really economic tailspin. Isn't that the kind of thing that over a period of a few years would begin to make some sense and give some answer to the great promises and claims of the Communists in Asia? I don't see where you have really differed in your specifics to that kind of an approach, and I do emphasize that if we pour in large sums of money in the hands of governments it is very unlikely that it gets right out to the peasants. So what I am emphasizing is that what we do should be in terms of simple farm implements and of well-drilling equipment and of the simplest kinds of things put directly in the hands of the people without charge. Then it would be very hard for them to label that as imperialistic.

Mr. FAIRBANK. My objection is not to the economic development idea, which I think is absolutely necessary, but merely by itself I think it is incomplete and might be disastrous because it wouldn't take account of the Nationalist political feelings and the nationalism of the area and might not take account of ideological ideas that I have mentioned, and there is also a large social problem. You would have to see that you didn't step on the toes of the native peoples and by your economic aid not to throw certain people out of employment who went Communist against you. In other words, it is a total operation we must perform in all aspects of society and it must be in a proportion which does not let it get too heavily military or economic which might upset the other aspects of it. So we have to study these things as they would apply in the Asiatic scene to have a program which is in proportion—the economic side must be related to social changes which will occur because of people changing their livelihood or because of a certain class being better off or certain politicians not getting their cut, and we must take account of national independence, and those things must be put



together. And having been in the information business in China, I was always very unhappy—in 1945 and 1946—in the way our information network wasn't in a game of really trying to put across our American policies as fully as they could be. It wasn't being used as an arm as fully as it might have been used because we stopped psychological warfare for the wartime. We haven't been carrying that on in China since. We do not do the things ideologically that we did before, that we could do.

Mr. TALBOT. I would merely like to say that the economic development of this area would seem to me to be fundamental if we are going to have a long-range counterattack to the Communists. However, because of the considerations which you have mentioned, and particularly Mr. Fairbank, it could very easily go wrong if there should develop in that area a feeling that our economic aid is linked to an anti-Communist strategy. In India, for example, obviously Nehru is one of the strongest persons in the whole of Asia, from our point of view and for the future of the type of Asia that we are interested in, the type of world we are interested in. In order to get over his internal difficulties—his internal economic difficulties—he stands in serious need of economic help both in the large-level building of tanks and at the small level of improving the bombs. But the way we could destroy Nehru most rapidly would be to make him appear to some of his own people to be an American puppet. It seems to me the question of giving economic aid to this part of the world—we must very carefully consider whether we are putting up political strings at the same time; whether we are saying to these people so long as you do not recognize Chinese communism, so long as you take a strong anti-Communist stand, we will help you, but you must do that in order to qualify for our aid. If, on the other hand, we could say to them we believe that a generation hence the world will be better if the peoples of south Asia have more to eat, better places to live, and we are prepared to support that, then I think there is a chance for that sort of local cooperation in consonance with national integrity and national pride and we stand the prospect of making some progress and having a successful policy in that area.

Mr. STASSEN. I agree that you should not require that they have an affirmative anti-Communist program politically as a prerequisite for economic aid; you should simply require that they be non-Communist-dominated and on that basis move on your economic aid.

Mr. TALBOT. I wonder whether you would feel that the solution of the colonial problem in the area would be not a solution of all the problems but a prerequisite to effective influence of the American point of view in that area.

Mr. STASSEN. Mr. Fosdick, to answer that I would say that it is very important, but I don't say that it is a prerequisite. In other words, I feel that the whole of Asia is such a vast problem that you can't say anything is a prerequisite to the program. Just as in the matter of studying just how you do these economic things, granted they need continuing study, but if we wait until we conclude our studies until we act, why we will be dead before there is any action. So my feeling is that nobody could have painted out the Marshall plan when Dr. Marshall made that great presentation at Harvard, but after exchange of study and exchange of views and men getting to be in charge of the program, then study and the action went forward together, and that's what I feel is needed in Asia—a study and action going on at the same time.

Mr. VINACKE. I think to answer the question that was bothering me, Governor Stassen, in what you said in your original comment, it seems to me that you were saying that we would take American materials, American this and that, in disregard of the attitude of the governments with colonial or nationalist governments, and establish a direct contact with the peoples. Well, now, there, it seems to me, you apparently did not have that in mind.

Mr. STASSEN. Of course not.

Mr. VINACKE. The same problem there as on the European side. The first problem is insuring that the governments, whether they are independent governments or combinations of colonial governments and nationalist regions where there is conflict going on, themselves have the feeling that they have worked out the plan that is suitable for them and that we will support them; that their efforts are related to our efforts rather than our just going in, which is what I think Mr. Fairbank also got from your original statement—our going in on an American basis in terms of American conditions. It seems to me in this whole southeast Asia area one place where we did that was the Philippines, and it seems to me we might very well make a very excellent start in reestablishing our position if we said frankly we made a mistake in the Philippines in insist-



ing that you people should amend your constitution so that American businessmen should have a preferential position as against others. It is that sort of thing that leads to the charge of imperialism, you see, and if we could straighten out on an independent basis some aspects of our Philippine relationships and say we propose to go into Siam and some of these other areas on invitation of the people concerned to enable them to help themselves, then I think you have met the objections Mr. Fairbanks raised; whereas, if you are proposing to do it as an American operation because we have this power to save these people in spite of themselves, I think you are going to run up against the objections.

Mr. STASSEN. I, of course, don't mean we go in in spite of local governments or use American power to force our way in on the economic program, but that we go in with the permission and with joint working arrangements with the local governments, as we have in fact done in some of the South American countries, but that there should be this distinction in the actual distribution of material—that is, that the prerequisite of our reaching agreement with the local government is that we be on hand in the distribution so that it doesn't go into the black market and doesn't get dissipated as so much of that economic aid did get in Asia.

Mr. BALLANTINE. Mr. Chairman, I feel that there is one approach along which we should move simultaneously with moving along the economic front. One of the difficulties that we have to overcome in Asia is the idea among a great many Asian people that our motivation is to build them up either as a first line of defense against the Soviet Union or to build them up as a place in which we can have a beachhead for assault and that it wasn't to be used by us for any such purposes. I think, first of all, we have to convince the people of Asia that that is not our motivation; that our motivation is to build a world in which all people are free from aggression, free to enjoy the four freedoms and have an opportunity to contribute to creating an era of peace and stability in the world. And if we can start building that idea among the Asian people that we are not just trying to use them, I think we can do a great deal in the economic field.

I have two particular things in mind. There are large areas in China that today cannot be utilized under the traditional horticultural methods of the Chinese people but would yield to tractor cultivation. In Kwangsi Province—I have traveled all through that province and have seen millions of acres lying idle because they can't be tilled under traditional Chinese methods. They could graze tremendous numbers of cattle and horses if they could get the place clear of rinderpest, if you could have American veterinarians come in and help them. The second line is industrialization, to reduce that tremendous pressure of population upon the land that you have in the river valleys and the plains and coastal areas in these far-eastern countries. Now instead of starting on a tremendous hydroelectric project and shoe factories and a great many things that are unrelated to their standard of living, why not make simple beginnings along developing export industry, such as the British and Americans did a century ago when they started in trading: redevelop again and expand these cottage industries, these handicraft industries, such as the making of embroideries and straw braids and paper braids and matings and decorated porcelains, and all these things that require the minimum amount of capital and give employment to the maximum amount of people, and those industries developed would be export industries which would export to the United States and other rich countries and get the foreign exchange with which to buy the things they need. You have to make small beginnings before you can go on a very large way.

Mr. LATTIMORE. Mr. Chairman, the discussion thus far seems to show that the theory (why we think certain peoples and countries are the way they are) and method (how we do what we intend to do) are very delicately connected with each other. The recent discussion has waivered back and forth between certain things which we could do and the reasons why we should do them. I would like to make a few off-the-cuff remarks about that, but I should like to point out, for instance, that the theory that governments in Asia are so corrupt that American aid should be kept in American hands until channeled directly to the recipient is hardly an adequate answer. There is no such thing, I believe, as, especially in those circumstances, a million dollars that is not political, and a billion dollars is a thousand times as political as a million dollars. In such countries whoever gets that money becomes politically important in his country. So you do interfere in the politics, especially of backward countries, when you undertake to alter their economic conditions by the action of American money.



Another point is that we cannot rely simply on joint action between American money and American know-how. Know-how exists on several levels and it isn't an American monopoly. There may be levels of know-how which are rather low as compared with American levels but are sufficient to defeat American purposes. I think one of the very significant lessons of recent years is, for instance, that American equipment intended for use by the Kuomintang for one purpose was inefficiently used and the same equipment when it passed into Communist hands was much more efficiently used—not efficiently from an American level, but much more efficiently from a Chinese level—than the people into whose hands we had originally given it. In that connection, a pamphlet has just been published by the Harvard University Press containing a very interesting contribution by Mr. Fairbank, who is here today, and also an extremely important and very short treatment of the economic problem by Mr. Cleveland, who has been in charge of the China Branch of the ECA, in which he takes up the question of the ability to absorb that aspect that has been neglected in this discussion so far. It is not only the American ability to give; it is the ability to absorb. The general trend in Asia since the end of the war is that in some way the ability to absorb is very closely related with domestic political changes in the country concerned, so great as to amount to revolution, whether the revolution be military or peaceful in form. I think that that indicates that one of the guiding principles in channeling American aid is that aid should go in the largest quantities and most promptly to those countries which by modernization of their political forms have created the political condition under which economic improvement can be carried forward. That is one of the reasons why India is so important.

Then another thing which has been totally neglected so far, and something which I think could do great damage to the American interests, is that we have been talking about Asia, the American problem. Since when and by whom was Asia given to America to solve all its problems? We have undertaken very considerable programs with very heartening results in Europe. We still have to integrate our European problem with our problem in Asia. Many parts of Asia have European roots in them that are much deeper than our American roots. One of the economic problems, precisely, is to restore the flow of investment one way and trade the other way between Europe and Asia as well as between America and Asia, and this much more complex problem, at least three-way problem, can only be solved if everybody concerned is convinced that what he is getting out of it is conditioned by the fact that the other two partners must get something out of it, too. There must be a realization that anything that is undertaken is for the joint benefit of Europe, Asia, and America and cannot succeed unless the mutual benefits are reasonably distributed. And in that connection we come to the final point I want to make in very strong endorsement of what Mr. Talbot said just now on the subject of not making some kind of political hostility to some other country or some system. Then there was a little interchange and one opinion was no, you mustn't make hostility to Russia a condition but you must make absence of Communists or Communist threats from government a condition.

I doubt if that is a workable condition in view of the present world distribution of power. It seems to me that what we can do above all other countries is to show countries in Asia, as in Europe, that it is possible to do without Russia to precisely the extent that you are on good terms and mutually beneficial terms with the United States. I think that to make the condition, for instances, everybody in Asia accepting Communist China will not be admitted to American trade, and so on, would be ideologically disastrous for our cause. It would look like punishing the people of China for having a government that wasn't approved in advance by the United States. It also goes against the basic human principles of bargaining. If you say to people you must have this or not have that before you get American aid, it simply enables them to turn to the Russians with a better bargaining position against us. It could strengthen their position. Whereas, on the other hand, if a country like China, in spite of its Communists in the Government, is shown that certain conditions of prosperity go better and faster by friendly association with the United States, that is something that automatically weakens the Chinese connection with Russia. Therefore, it seems to me that the conditions for American aid should be ability of the country to absorb the aid, making the necessary reforms to accomplish the absorption of the aid, if that is necessary, and the principle of mutuality—many-sided mutuality—not only between individual countries and the United States, but individual countries and the European-American-Asian complex, of which the United States is so important a part.



Mr. TAYLOR. It seemed to me two generalizations have come out of the discussion that we have just listened to: One is that the major force in Asia that can be used against communism is nationalism. I don't know whether you would agree with this, but this generalization came to me anyway, and we can and should use nationalism against communism and separate the two. It seems to me that in China the Communists are using Chinese nationalism and riding it for their own purposes, and the Chinese are beginning to find out and will find out in large quantities during the next few years. I thoroughly agree with Mr. Fairbank and, I think, with Mr. Lattimore, that there is no way of dealing with these people except that they are nationalists, they have national pride, and they have to be dealt with as independent people. But the other generalization that came out, particularly out of Fairbank's talk, is that the Russians are fighting us on a good many levels, and, as an old frustrated OWI man, I certainly underline everything he said about the ideological level. It seems to me we have lost a big propaganda battle in the Far East. When Russia takes two billion worth of material out of China and we put two billion in and we are left with the reputation we have, there is something missing on the propaganda front. They are fighting us on the ideological level, institutional level, military level. We have to meet them on all levels, and it seems to me what you are feeling for was some way of integrating all these things together at the same time. I think he put it very well that in some cases you have to judge whether your military considerations warrant an ideological defeat or whether in other cases it may be the other way around. The map of the world, from a military point of view, ideological point of view, the institutional point of view—you don't have one fitting on the other exactly. So I would endorse very strongly, Mr. Chairman, a feeling around for and a discussion of the many levels upon which this conflict is going and a pulling together of our discussion into a long range and short range. The first answer to China is outside of China. I think we have come to that conclusion. There is not a lot left in China, from a military view, that we can save. From my view it would be foolish. The second answer would be in China itself, as what we do inside begins to have its effect in China. It seems to me that is the point our discussions have reached.

Mr. DECKER. Mr. Chairman, I am afraid what I intended to say has already been covered, but I would like to say that nothing that I have heard here this morning has been more reassuring than the very clear recognition of the fact which came from Mr. Kennan that our basic problem and basic problem of the United States was the consideration of the "have" nation—a great "have" nation—against all of the "have-nots." Now I have been devoting my life to an interest that has been assaying the task of adjusting that balance, and I will tell you that it is one of the most difficult and one of the most discouraging and one of the most delicate tasks that one can undertake. And so that by way of general comment. The next thing I should like to say is that I do not believe that our plans for the rest of Asia should be shaped so that in effect they give up the present Communist-dominated China; that is to say, if we draw our lines and make our arrangements so that we throw ourselves over against that part of China—the new regime in China—we shall make it very much more difficult to achieve what I think can be achieved, namely, the recovery of that part of the world—of a lot of our influence in that part of the world. Another thing I should like to note is that this area that we are assaying to deal with is one that has known colonialism, has been burned by it, has come into a new freedom in nationalism, and so whatever plans are made have got to be extremely carefully laid at that point.

We cannot afford to formulate any plans which seem to mean an extension of American imperialism—the substance of a new imperialism for others from which they have just fled themselves. Now that makes this area of the world very different from the countries that we have been dealing with in Western Europe. We have been accused in Italy and we have been accused in France of carrying on a program of American imperialism, but France and Italy have both been independent enough countries, stable enough countries so that they need not be terrified of their fate by that accusation, but repeat that accusation in Indochina, in Burma, or in India and it will carry a very great deal more weight. Now that fact is a basic fact which must condition all of our efforts to put up anything like a Marshall plan in this section of the world as successful, and we rejoice in it, as that plan has been in Western Europe. I was very much struck, too, with the comment that Mr. Ballantine made. Many of our efforts in assisting in Asia have begun at too ambitious a level. They need to be carried down to the level of the people—in the improvements of the lot of the individual farmer, the improvement of the health in the villages—rather



than in great hydroelectric projects or the importation of American goods or even American services. Those services have got somehow to get down to the roots of the people. But our basic difficulty is going to be this one of setting up an American headquarters in Bangkok dealing with those sensitive, newly liberated peoples in that section of the world without laying ourselves open to the devastating charge of a new imperialism.

Mr. KIZER. Mr. Chairman, I am in strong sympathy with Governor Stassen, yet his dislike is a purely negative policy. I see the strong desirability of a positive policy, and it warms my heart considerably to see how many of you around this table are turning your minds to a discussion of some kind of economic aid. I would like to back up what Dr. Decker has just said about the inadvisability, however, of moving into Bangkok. That, I think, would be one of the poorest places to select, and I would suggest that wherever we go, as Mr. Lattimore has suggested, we move in where the government is one that we can come most nearly trading with. Having dealt somewhat with relief in the Far East, I realize the extraordinary difficulty there is in building up a distribution of economic aid or assistance in that area without dealing almost directly with the government. If you lean the least bit away from the government it reflects itself in the minds of the people. You have to have a government you can work with. Therefore, I would like to support what Mr. Lattimore has said about working in India. Now some steps have already been taken with regard to India in the last 5 weeks. The first loan made by the International Bank for Reconstruction and Development was \$34 million, made the last of August, for the purpose of enabling the Indian people to have locomotive parts and boilers. Now that kind of a loan creates the income from which the loan can be paid itself. A second loan has been made of \$10 million, and \$10 million, I understand, is the cost of clearing an acre of jungle and bringing it into food production. And while I sympathize generally with what was said about ambitious hydroelectric projects, there are in India smaller projects that irrigate the land and bring new lands under cultivation, and that type of loan is also submitted to the bank.

Now Mr. Nehru is coming here next week and I am sure he has a portfolio of that sort, and we must not rush in, we must see that what he is proposing is sensible. But food will win this thing more than any other project, and if we can help India to become self-sufficient in food, we can help her to become sufficient in food so that she doesn't need to import it, that means a greater annual income for her government, it means greater education for her people, and promotes the whole Indian welfare. The Chinese are smart; they will catch on fast enough what we are doing there, and that's the kind of progress we can make to very great advantage. There is another thing that I would like Governor Stassen to reflect upon. He said he would like to see us play out every card of opposition we can to communism in the Far East. I don't want us to be too afraid of communism in the Far East. We can overestimate its potentialities of danger if we are not careful. On the other hand, by playing out every card of opposition, we do build up what Mr. Fairbank laid special emphasis upon, and that is the thought in the minds of the people in the Far East that we are an imperialist Nation. We are a great asset to communism now because they can accuse us of imperialism. We must withdraw that and we must strike where we are strongest in the economic field, not in the military sense, and I believe, as far as possible, we should attempt to ignore that aspect of it and work in the economic field and bring that area up. No country in the world can equal the United States in that field, and that, it seems to me, is what we should do. I agree, too, that we must not approach this program on too ambitious or too vast a level; we must work by degrees and to refine some projects, and in that way we can win that struggle.

The CHAIRMAN. I was just going to say this: There are five names I have down here of people that want to speak. It was suggested this morning that a 5-minute intermission in the middle of the session would be advantageous. I think probably the time has come. It is 4 o'clock. We will reassemble here. (Recess.)

The CHAIRMAN. Gentlemen, shall we resume? The first name on the top of the list is Governor Stassen.

Mr. STASSEN. Dr. Fosdick, I wanted to clarify my position. I think Mr. Lattimore was under a misapprehension. What I said regarding American aid, I didn't mean to indicate that Asia was an exclusive problem of our country and fully realized the interrelation of Europe and Asia and the whole world, but what I wish to emphasize is that when we are the country that has the most.



when we actually with about one-sixteenth of the world's people produce one-third of the world's goods and services, that we do have a very heavy responsibility toward this great continent and its have-not peoples there.

It has key relevance in the world-security aspect with reference to Russia, and also I do not indicate that we try to pass upon whether there are any Communist tendencies in any country before giving economic aid but I do feel strongly that if there is Communist dominance of a country, we should not go in with an economical-aid program.

I feel that you do have a great class of ways of life that has great implications for the future and that it is foolhardy for us to pour in what is admittedly a limited resource into the area under Communist dominance. I not only feel that from a positive program but I think that in fact it would be quite academic to argue to the contrary. We must remember the realities that we are talking about a program that will require congressional action for money and you will never get through Congress—

FROM THE FLOOR. Would you condone the Yugoslav policy?

Mr. STASSEN. I will get to that in a minute. You will never get through Congress a program that would permit the permission to give economic aid to the Communist-dominated sectors of China. There are those who advocate for aid to the Communist areas of China in the hope there would develop a form of economic Titoism there. That has a false promise. Tito did not move away from Russia because of any promise of aid on the part of this country toward him. As a matter of fact, he moved away at a time when we had been the firmest with him following the shooting down of United States planes, etc., and that as long as he could follow a position of in effect taking direction from Russia and taking resources from us, that was the role he played, but that when he had to choose and then came up against the result of his choice and tightening of the screws by Russia, then that famous break came.

I actually asked him in March of 1947 whether he was going to take his economic direction from the Soviet Union and he got up from the luncheon table and paced up and down and said, "We are learning much from the socialist experience of the Soviet, but Yugoslavia is a country. We fought in the mountains—General Mihailovich fought in the mountains." He was agitating on the nationalist angle, and now he having made the break, then I think it is right that we should be able to give some limited aid. I think we should couple it with some insistence there be a gradual moving toward more freedom in Yugoslavia at the same time, even though very slow and very gradual, but the direction of movement of a government should be toward the freedom of its people while receiving American aid, and clearly that aid should not go in when the direction of the movement or government is to the contrary.

When it is the over-all aspect of security and the problem of Russia, then we need to think of the world strategy that is involved so that I definitely do not agree that any softness toward the Communists of China will give a better prospect of Titoism developing. I say it should be firm and clear: If you are under Communist dominance, you don't qualify for American generosity and if you break with communism, then there will be American generosity. I think that should be clearly our action in this economic aid struggle.

As to being accused of imperialism, I think it is elementary that as long as we are producing more than the rest of the countries and living at a higher standard of living, we are going to be accused of imperialism in every argument that comes up all over the world regardless of what you do, and if you let the accusation of imperialism stop you from a clearly indicated program of action, then it would be a sad day.

So you need to move carefully with all possible consideration of utilizing the Nationalists Mr. Taylor emphasized but definitely move and in your movement try to negate the charge of imperialism, but don't let that charge stop you from moving.

There has been mention made of India as a center of Asiatic operation. As I indicated before, I agree on Nehru being a name and India being a great importance but it is a mistake to put our Asiatic headquarters in India because on the one hand there is the sensitivity of India toward the British, just having come out from under, and a greater sensitivity there toward others coming in than there would be in other areas of Asia.

Then you get into the question of India and Pakistan and the Hindu and Moslem religious issue which might be questioned in having our headquarters in India.

Someone suggested that our headquarters should be in Manila. The atmosphere then would be that we were returning to Manila rather than beginning a



new Asiatic program. There isn't the degree of democracy you would want in Siam. The strong man's record with reference to the Japanese in early 1942 is not good but when you consider that Siam with approximately 17,000,000 people has one of the least dense populations and best food sources and greatest element of stability and good location for travel by sea and air, I think you will come to feel that Bangkok is the logical center on the mainland of Asia for a long-term American program. Also, you have the fact that the terrain is additional security as to both Burma and Malaya, so for the greatest possible Communist onslaught Bangkok would apparently be the last place to fall either by attack or infiltration, even if you take a black look at the future, and that is why I am inclined to feel for a center of Asiatic economic aid Bangkok is the place.

I emphasize that it is not to be a unilateral program and not to be one that we in America will do alone. It must be an aid to the people in Asia that help themselves, but let us be sure it will get to the people and not corrupt elements in the Government. It will be a delicate operation and let us be certain we do not become involved in a joint operation with the British or French in a way that would bring to us the onus of their past colonial position. We do have a more favorable reputation in most of Asia than they do. While we must work closely with them in the world picture, let us not give ourselves this integration in a new aid program by tying ourselves too closely to them.

The CHAIRMAN. Mr. Staley.

Mr. EUGENE STALEY. I wanted to raise a question. I am particularly interested to hear Mr. Stassen's views, what I missed in the exposition—what struck me—a broad and constructive concept—though I share on the question about methods of implementing—I missed any reference to the role of the United Nations or United Nations specialized agencies such as the Food and Agricultural Organization, the World Health Organization, or the Economic Commission for Aid in the Far East, which I believe is now located in Bangkok. I am wondering if you located an American headquarters in Bangkok the psychological effect would be, here the Americans are, moving in. It is the Americans in place of the United Nations, and so I raise the question that maybe we haven't more to gain from the standpoint of American interests in setting up as against a Marxist internationalism the United Nations type of more voluntary internationalism and doing everything we can to boost that, and wouldn't some phases of this scheme actually go in the other direction?

Mr. STASSEN. Dr. Fosdick, I would say that clearly there should be consultation with the United Nations agencies and the utilization of them at every possible turn, but I cannot conceive that you could turn over the substance of American aid to be decided by United Nations agencies in Asia for a number of reasons. One is the aspect of the colonial powers being in there. The other is the amount of aid we give would fall so far short of what could well be used that I do not feel you could have the division of allocation that would parallel the European—the OEC in Europe. So that I think we would need to keep a greater area of detailed control of the funds and of the goods in Asia than we do in Europe. I do grant and would urge that the United Nations agencies should be used to every degree possible.

The CHAIRMAN. Mr. Murphy.

Mr. J. MORDEN MURPHY. I would like to support the last remarks of Mr. Kizer before we adjourn with respect to the hysteria or hysterical tendency of fear of Russia and the effect it has on our policy. Governor Stassen referred in his original remarks to the Soviet underbelly of Russia. There is no doubt about it, Russia is unprotected for a great many thousands of miles in the Asiatic mainland, but the theory that because she is unprotected she has unlimited or strong capabilities there is somewhat hypothetical, I think.

Early in the last war, after the Germans had invaded Poland and finally France, the general impression in this country, and even to an extent, the military impression, was that she was practically unbeatable. At that time the Russians, until Stalingrad, were poorly rated. Later the Japanese made stands in all the islands after Pearl Harbor, and the general feeling was that the Japanese were very, very strong.

When the war was over it turned out that Japan had not been so strong as we thought she was potentially. The Germans we managed to beat despite the fact that they looked unbeatable for quite a while, and my feeling is, after the war that Russia went through and after the devastation the country was subjected to, I doubt that she has quite the capabilities, aside from the atom bomb, that are attributed to her. I would like to make that point that possibly sometimes we rather hysterically exaggerate her capabilities and in our reactions to them distort our own true policies.



I would like to make one further remark. It is my understanding that the expression "Titoism" refers not to aid to Tito but to a national desire to prevent the domination by a foreign power and in that respect I would say that the Chinese have very, very strong capabilities of Titoism because I think they are very nationalistic and very much nurtured their independence.

With respect to Bangkok and the Government there, I would say that the present head of the Government had not only a bad record against the Japanese during the war but has had a bad record against his own people or against a substantial segment of his own people in the last years and that there is a very excellent chance of an upset on the part of the Free Thai group and which might come at any time. It is not a stable situation in my opinion.

The CHAIRMAN. Mr. Coons.

Mr. ARTHUR COONS. I wanted to make the remark both to Mr. Stassen and to the group, with reference to this question of whether or no any aid should go to a Communist-dominated government, that it seemed to me that in the inception of the Marshall plan in Europe that Secretary Marshall and the State Department and Government placed our country on a high level of statesmanship in making that aid, at least at the beginning, potentially available to any country of Europe, whether Communist-dominated or not, which might join with the organization of European states and which might agree to certain standards, with reference to the distribution of that aid, that we might write down.

Furthermore, it seems to me that with reference to the Far East, particularly where there is a very sensitive nationalism, as we have all remarked, we might be on very much stronger ground if we should not distribute our aid until after we should have had a conference of the states and should have had an inclusive invitation to all states in the same manner we did in Europe. I think that would have an appeal to the American public opinion.

It may be that certain states might themselves voluntarily withdraw and this in itself may indicate the fact that they were Soviet-dominated. I wonder if we are safe in assuming every Communist-dominated government is absolutely a tool of Moscow. We all say that commonly in our speech but a fundamental element of American policy must be to resist international communism and resist the imperial encroachment of the Soviet Union. I should not wish to make the mistake of assuming that every Communist-labeled Nationalist movement in the Far East were necessarily so, and even if there were a lot of voices that seemed to sound like Moscow voices, ultimately to be classified that way.

I just wanted to remind us of the breadth of the approach to the European scene and the desirability perhaps in a policy of following a similar line in the Far East. It might very well be that events would take care of themselves and the fact that we would set down certain standards would mean administratively we might not be distributing as much aid that we would want to distribute it to reflect we would have the frame of reference on record that would be broad and inclusive.

The CHAIRMAN. Mr. Colegrove.

Mr. KENNETH COLEGROVE. Mr. Chairman, very briefly, in Governor Stassen's plan of aid to Asia, he referred to technical and educational aid and, I believe, in the so-called MacArthur plan, which we offered several months ago, and probably something was said about educational aid.

I am inclined to think that that is one of the fields in which we could give great aid to Asia and great aid to world peace and even to world trade by including in any economic plan of this sort. Nelson Johnson and others frequently have pointed out to us that in the great conflict in China the men who advised the Chinese Communists and Mao Tze-tung were educated in Moscow, and many of the men who directed the Kuomintang had received their education in large part in the United States and England and other western countries. Maybe that suggests that something is defective in our education if the men who led the cause which has been recently defeated received their education here, but on the other hand, I think we should remember that the men who have made the Philippine Republic were men who received a large part of their education in the United States in the years 1900 and 1901.

The United States sent each year a hundred young men from the Philippines to be educated in the United States, among them such men as Santos who became such a great Philippine leader and, of course, the Japanese, who are taking a leading part in the experiment in democracy in Japan at the present time, received their education in the United States.

I would like to close with this idea that any plan for economic rehabilitation in Asia should also include a large plan of education—of bringing large num-



bers of young men and women from Asiatic countries to receive their education in the United States and then go back and try to carry on the democratic experiment in cooperation with our ideas. Of course, that is the long-term project. It would be 10, 15, or 20 years before such a group of educated young men and women could become effective in their own countries.

The CHAIRMAN. Mr. Herod.

Mr. WILLIAM R. HEROD. There is one point I would like to stress. I happen to be one of the lowly business people and by popular vote apparently my hydroelectric project has been thrown out the window at this conference which I object to very much, but in spite of that I think we all agree with Dr. Stassen that what we want, if we can get it, is a positive policy but I would like to suggest from a businessman's standpoint, particularly in Asia, that American economic aid, particularly if free, should be given most sparingly and most highly selectively.

With the differences in culture and a marginal civilization as far as economic opportunity is concerned, I don't think we get the reaction from them for a democracy and I don't think we get the reaction from them against communism that we get in Europe and I believe I personally am opposed very much to the increase of statism—of having our Government go into the business of dispensing our resources other than certain humanitarian cases except where it looks like there will be a real return and self-liquidating venture.

Private capital can take up a great many things if the people at the other end would be square about letting it work and I don't believe we will increase the world trade a great deal in those areas. It is very interesting to note that world trade in finished goods in 1948 was no greater than in 1913 and if you compare that with the decade of 1870, a period of somewhere in the neighborhood of seven to eight decades, world manufacture increased seven times as a multiple but world trade in finished goods only two and a half, and in raw materials less than four and United States trade in spite of our increase in population and imports was only running \$14 to \$18 per capita against \$12 per capita back 150 years ago in 1790. So I think you have the historic trend against you.

We have to work I think for industrialization because that is the biggest source for wealth and we have to balance our hydroelectric projects along with cottage industries but I think we have to be very skeptical in the dispensing of free aid, particularly to Asiatics who do not understand it and don't show their gratitude. I believe in Hindustani there is no such word for "gratitude" in that language. They inherently believe there must be some strings attached to it and I am not keen on dispensing American resources in the hope that will stave off communism at all.

The CHAIRMAN. Mr. Holcomb.

Mr. ARTHUR HOLCOMB. After listening to discussions around this table for several hours, there is a great deal I would like to say. However, I am going to resist the professor's temptation to start out on an hour's discourse, but that obviously is out of place here and I want to make some remarks very briefly even though I run the risk of not making my meaning clear.

I would like to take off from the proposition that a policy of containing communism or containing Russia offers an excessively narrow basis for a satisfactory American policy in China. I won't attempt to argue that proposition. That would certainly get me into the use of much more time than I intend to take, but I would like to offer in support of that proposition two observations which again rest largely on faith and yet I may offer them for whatever they may be worth. The first is that it is likely that a Communist regime in China will be supported by all kinds of Chinese and not merely by Communists, and the second observation is that it is not at all certain and indeed, one might say it is very likely, that in the long run a government at Moscow would not find such a government an altogether reliable instrument for its own purpose.

I don't want to say very much in support of those propositions but everybody's opinions are influenced a great deal by one's own experience. I am sure mine are to some extent, probably unconsciously, but my experience is that of a college professor who had a sabbatical coming and wanted to go somewhere in the world and see a revolution. I read about them in books but I had never seen one so I inquired of my friends where there was likely to be a good revolution—that was in 1927 and 1928 which was the year I was going to be away—and they said perhaps distance lends enchantment to the view in some cases and so why don't you go to China. So, I said, all right, I would go to China, and I went to China, and while I was looking on the revolution revolved and it was an exceedingly interesting experience, and as I look back on it now with



the great advantage of 22 years of hindsight, I am struck by the many parallels between the revolution in 1927 or 1928 and what we see going on today.

First, take the most striking parallel in the field of military operations. I remember one night having a long talk with an American attaché. Perhaps I better not say whether military or naval as he might be identified. But I had a long talk with him on the eve of the beginning of the northern exposition of the Nationalists against the militarists in Peiping, and he was explaining to me how the Nationalists could not win. He said the northern militarists had a large number of soldiers under their command, they were better armed and equipped; they were fighting nearer their bases; that their bases had better facilities for the production of equipment, they enjoyed the advantages of interior lines of communication. He went on with all the many advantages which the northern militarists possessed and he predicted that the Nationalists would not reach Peiping.

Everybody knows that they did reach Peiping even though the Japanese offered some aid to the northern militarists and it is quite evident what was lacking in the analysis of the situation, there was not a proper appreciation of the intangible and the moral factor. We have seen that happen all over again in the last year. The Nationalist Government possessed all those military advantages but the other side wins. It would seem as if these intangible and moral factors are more important than is commonly recognized. However; that is hindsight.

Back 21 years ago when I was sitting around in Nanking waiting for Chiang Kai-shek to take off, there were not many people with whom I could talk and I naturally talked as much as I could with my own former students. I suppose every teacher has that experience. My own former students, especially the Chinese students, always received their old teacher very hospitably and what struck me and greatly influenced my thinking, quite unconsciously—what struck me was practically all my former students were on the side of the Nationalists.

As I recall now there were only two of them who had been rated high for general intelligence and qualities of character. There were only two who were on that side. There was one taking the Communist side when the split came and went off to Moscow, and there was one other who would not choose between the sides—a left-wing Nationalist. He remained out of politics for many years; but all the others took the Nationalist side and I know that unconsciously or subconsciously I was greatly influenced in my attempt to appraise the forces involved in that revolution by the circumstances that such a preponderant portion of my own students, especially those I respected most for their intelligence and qualities of character, were on that side.

What do we see today? We see the same thing happening again. These men who were not Communists—we didn't teach them to be Communists. We have been turning out Chinese students, among others, during these years since 1928, but they are trying to work under the Communists in a striking preponderance of cases. And knowing the peculiar position of scholars in Chinese tradition and the common assumption the Chinese scholars make that they have a peculiar role and duty to perform in politics, it seems to me an augury of how things will go. I think we are bound to assume that most Chinese are going to accept the new regime, as most Chinese 20 years ago accepted the Nationalists, as a fact, a given condition in the problem, something they had to reckon on at least for the near future, and I think most of them are going to try working with it, and that means that the Communists as they build up their institutions, like the Nationalists 21 years ago, are going to become dependent upon the collaboration of considerable numbers of persons who don't share their ideology but who feel constrained by circumstances to try to make a go of the regime. And however difficult it may be for outsiders like ourselves to deal with such a regime in its early phases, I believe that in the long run it offers the prospect of a regime with which we can deal and that in the long run it is by no means certain that Moscow will find it a better agent of its purposes than we found the Nationalist Government to be of our purposes. The temptation to argue some of these propositions—but I think I had better stop right there. My feeling is that we ought not to assume a position at the outset of unchangeable hostility to the new regime; we should adopt a policy of watchful waiting, if I can use that expression without getting into trouble, in the hope that presently it will prove possible not only for our missionaries and our educators but for our businessmen to find there some opportunity for resuming their activities. The new China, like the old, will need certain things from us. I think we should keep ourselves, if possible, in the position to give those things whenever they are willing to accept them from us.



Mr. ROSSINGER. I would like to express my approval of a great deal of what has been just said and to add a few remarks of my own. There have been a number of suggestions this afternoon concerning the possibility of blocking China off or, to put it differently, writing China off. The assumption seems to have been that, for one thing, the Chinese Communists and the Communist-dominated regime could be allowed to stew in its own juices, get into increasing dilemmas, and finally after the passage of years finally to be overthrown or come to the United States and ask for the assistance it must have under those conditions in order to continue. The second assumption seems to have been that in the meantime we could, undisturbed, except perhaps by certain local phenomena, build up our position and the position of friendly groups in the countries of southeast Asia and interest India and Pakistan; therefore, that we would have great freedom of action, that the Chinese Communists would have an increasing lack of freedom of action. A number of the questions involved in these two assumptions, I think, will be discussed in the course of these 3 days. I don't want to go into them in any thorough way, but I would like to throw out the possibility that the Chinese Communists, while facing extremely serious problems—and I think they are rather obvious to us—may solve those problems in fair degree; that is, that the view that they will be unable to solve these problems is of the present moment an assumption. There are several evidences which would tend to support that assumption; there are others which would tend to oppose that assumption, and the assumption itself needs to be analyzed very seriously.

With regard to the second point about our own ability to act relatively unimpeded in southeast Asia, I think there is an assumption there that the new regime in China will simply accept this situation of blockade and do nothing to counter it. My reading of the present situation in southeast Asia is that the western powers with interests there are extremely vulnerable; that the British and Dutch are having problems and the French are having problems in various areas; that the ability of the United States to influence the situation in those places decisively cannot be taken for granted at this moment. I think if we look at the existence of Chinese populations in a number of the countries of southeast Asia, if we look at a certain community of economic conditions, a certain community of political outlook—I don't mean on the Communist ideological level but on the ideological level of nationalism and unsolved economic problems which give rise to certain political attitudes—that there is a significant community between China as today constituted and various countries of western Asia.

I would go further and say that if the relations between the United States and this new China are utterly hostile that we would have to expect that every possible instrument would be used against us in these areas of southeast Asia and against nations closely associated and allied with us. Therefore, I think it is dangerous to look at this as a one-sided proposition in which the other side stands still, is confounded, faces dilemmas, while we act. It is an interacting situation and we ought to weigh very carefully the question of whether our power to harass, simply to put it on that plain and blunt level, is equivalent to the power of others to harass us. I am not at all sure that the answer is that our power is greater in this respect. This brings me to a further point. I don't think we can write China off, and we need to have a constructive policy towards southeast Asia and India. By all means, we must promote the economic recovery of those areas, we must promote their alinement with us, no question about it. I don't think that can be pursued most constructively if China is imagined as utterly outside this plain as an area with which we are completely hostile. I would like to suggest then, that the normalization of our relations with China—it isn't going to happen next month or perhaps 6 months from now, but that the normalization of China, the establishment of some kind of situation in which feelings run cordial, at least relations are correct—is an important prerequisite to effective action on our part in other sections of Asia.

To put it in a slightly different way: That our ability to be constructive, let's say, in India is not something which can be considered independent of our relationship with China. My own view is that the normalization of relations with China is essential in fair degree to the development of constructive relations with India. Or, to put it still another way: That the development of relations satisfactory to ourselves with a non-Communist India, which we wish to see continue non-Communist, depends upon some kind of correct relations with the China which is presently Communist and which presumably will continue to



have such a political make-up for a long time to come or at least as long as we can now foresee.

Mr. QUIGLEY. I suppose Minnesota men should stand together, and in certain respects I certainly stand with President Stassen. I think that there is a field for governmental assistance to the peoples of Asia through direct relationships, though, of course, I agree with Professor Lattimore that that cannot be arranged except with the consent of Government. But I can't go with my friend Stassen into India and southeast Asia, and so on, unless he goes with me into China also. It seems to me that we cannot conclude, any of us who have lived in China for any length of time—I have only had 2 years there—we cannot conclude, however, that communism in China will be the same thing as communism in Russia, and it seems to me we must distinguish, therefore, in our national policy between countries that are Communist of their own choice, as far as we can tell, and those that are dominated from outside. And at the present time I would be inclined to say that the burden of proof that communism in China is merely another brand of Russian is on the person who makes that allegation. I would also like to raise the question as to whether we may expect that other countries of Asia will be favorable toward a program which will not contemplate aid to China as well as to them. I rather doubt it. There has been developing, as all of you here know, an inter-Asianism, a sort of one-Asiaism sense of a common interest, common concern which seems to work against a program that did not take all countries into account, and I rather think that Nehru would have that feeling with regard to China. I would like, if I may, Mr. Chairman, to ask if it is proper that we call upon Dr. Stuart on this point of the possibilities of resistance to outside control of Chinese thought that are latent in Chinese culture. I am sure nobody here is better qualified than Dr. Stuart, and if he would care to give us his opinion on that—

The CHAIRMAN. Mr. Ambassador, would you be willing to comment on that?

Mr. STUART. Mr. Chairman, it has been a very pleasant experience for me to listen to other people talk about China and to learn what Americans are thinking about our policy toward China. I would rather confine my part to answering questions growing out of my experience, at this stage, at any rate.

Mr. QUIGLEY. I don't want to press it, but if that isn't a question that would enable him to speak out of his experience, I don't imagine—

The CHAIRMAN. Perhaps if you will frame your question a little more precisely we could get an answer.

Mr. QUIGLEY. All right. My question is: Do you think that Chinese culture contains powerful forces of resistance to domination by any outside culture?

Mr. STUART. Yes, emphatically. We have in China a fascinating sociological laboratory. Communism is being tried out in a country very different from anything where it has been in control before. I don't think anyone can prophesy just what will emerge from it, but it will be something that is distinctively Chinese.

Mr. VINACKE. May I ask, following the same line, if the Ambassador would comment or give his explanation, from his contacts with the student class—his explanation of an apparent complete swing of the student class in China away from the United States, toward the Soviet Union in the recent years?

Mr. STUART. The student class, as I understand it, has been in revolt against the Kuomintang because it had failed to carry out the social program that they looked for and which is all in the three principles of Sun Yat-sen. They turned to communism as highly organized, efficient, and as promising to make those social reforms, and we were identified with the corrupt, and not so much corrupt as inefficient, Kuomintang government which had swung back to the old dynastic traditions of self-aggrandizement and ostentation rather than the reforms for the welfare of the common people. It wasn't Marxist ideology originally that took them over; it was this revolutionary movement which they looked for in the Kuomintang and were disappointed in not having. Here was a promise of a thorough-going, smashing social revolution. We were identified with what seemed to them the reactionary forces.

Mr. BRODIE. I should like to climb aboard the Stassen bandwagon. It seems to me one of the issues which we have completely one might say almost deliberately side-stepped is the issue of the peculiar nature of communism today and how it affects the pattern of the problem we are dealing with. Now, for example, I do not believe that at least our experience thus far with communism in European countries would argue that the particular cultural pattern of the people upon whom communism is imposed has relatively little to do with the matter. I had assumed that by this time it was trite that communism of the Russian-inspired



pattern depends very heavily on coercion, thought control, etc. That somehow seems not to have entered into the thinking, at least, of our deliberations this afternoon. Secondly, it appears to me that we have to recognize that whether we like it or not we are facing conflict with Russian-inspired communism, and it seems to me one of the questions we might ask ourselves is what opportunities, if any, will be permitted to us to do the various good things we want to about China once the Communists take over. I throw that in only as a reminder, perhaps, that we are overlooking one essential ingredient of this problem.

Mr. TAYLOR. I just wanted to say that the question of whether the Chinese Communists resent outside interference is one thing, and I agree that they, no more than any other people, like to be ruled by everybody else, but that's a very different question whether communism—and I agree with your definition of it very strongly—whether communism of the present sort fits into China, and I argue that it fits extremely well. There is certainly very little cultural basis to it, and what there was was destroyed by the Japanese. I am still wondering about Mr. Rossinger's argument that we must ask the Chinese Communists before we do anything in India. I think they have some intentions of their own in southeast Asia whatever we do, and I would like to put up the counter-proposition that they are in alliance with—they are not satellites, they are in alliance with—a very powerful country which is out, by its own admission, for as much territory and as many people as it can possibly get; it is one of the facts of life.

Mr. ROSSINGER. The statement that I thought we should ask the Chinese Communists about their Indian policy before proceeding on it represents a misunderstanding of what I said. My point was that I felt that the normalization of relations with China was an important element in our carrying on an effective policy in other parts of Asia, not that we need ask permission.

Mr. VINACKE. Mr. Chairman, I think that really brings us back to one proposition that wasn't developed, but it carries us further back to the discussion this morning of the recognition. On what terms will relations with China, controlled by the Communists, be normalized or regularized? On the normal basis of inter-state relationships between independent states as a consequence of our relationship, or on a legal basis before an independent state and a dependent state? It seems to me one thing we ought to concern ourselves with very specifically is the problem of recognition and whether it is possible to find the conditions antecedent to recognition in the present situation in China which would or would not justify the United States according recognition and in accordance with normal international standards. Personally, I don't think we can.

Mr. STUART. I just want to add one sentence to make it perfectly clear that whatever may develop in China under Communist control the present Communist leaders are determined to carry out all the techniques of orthodox communism as they have learned it from Russia. The question of whether they succeed or not—

Mr. BRODIE. It seems to me that, so far as our interest in this problem is concerned, I am certainly sympathetic to what one might label as the altruistic motives which have been so generously supported here, but it seems to me also the question in its more critical sense, at any rate, is what are the external alignments of China going to be, and I say again in that respect whether communism succeeds or not in China is comparatively irrelevant. They may fail, but nevertheless, so far as our security interests are concerned, the alinement remains very closely Russian and very definitely hostile.

The CHAIRMAN. Now, gentlemen, it is after 5 o'clock. My experiences with this kind of round-table taught me that nothing much happens after 5 o'clock, and I think probably we had better adjourn until tomorrow. I want to again say what was said to you by the Secretary this morning, to underscore how valuable this kind of a conference is to all of us who are working here in the Department on this problem. Everything that has been said has been taken down, and I can tell you I assure you that it will be referred to more than once after the adjournment of this conference as we go back to refresh our recollection on what was said on particular points by particular people, and this has been a very valuable discussion. I have been delighted with the way the differences of opinion have been batted back and forth across the table, and I think it has been a very healthy and inspiring occasion.

Mr. RUSSELL. Mr. Fosdick, there was a cartoon in the New Yorker a short time ago, in which a bartender, leaning toward another bartender, said, "Say, Joe, have you noticed how it takes more drinks now before they know the answers to the international question?" And I suppose it is on that theory that the Acting Secretary has asked this group to join him in the North Room of the



Mayflower at 6 o'clock. We will meet here again tomorrow at 9 o'clock. We stand adjourned.

(Whereupon, at 5:10 p. m., the meeting was adjourned, to reconvene at 9 a. m., October 7, 1949.)

(Friday, October 7, 1949)

(The meeting convened at 9:15 a. m.)

The CHAIRMAN (Mr. Jessup). Gentlemen, I am awfully sorry that I had to miss your sessions yesterday. I have gotten a very quick briefing on them and I'd like to suggest, on the basis of your conversations yesterday and a little talk we have just had in the staff, to you a possible procedure this morning if it commends itself to you and go ahead on that basis. I understand that your discussion yesterday dealt very largely with the China scene and we thought it might be useful this morning if we could open up a southeast Asia picture, introduce into our conversations the problems of southeast Asia and the position of India with reference to the whole far-eastern picture, and that that discussion might properly lead us into a consideration of the various proposals for some kind of regional pact or union in the area. Of course those proposals are not confined to southeast Asia but I think it is a problem that arises from a consideration of that area, and I should hope that our discussion might then lead us into a consideration of a problem which has been raised with us by a good many people who have written in, and that is the relative position in terms of American policy of three possible centers of power and influence in the Far East, that is, Japan, China, and India, the question of the relative importance which we should attach, the extent to which our policy should be directed toward reestablishing or strengthening or maintaining close ties with one or more of those countries.

May I ask if that seems to you to be a useful way to start off or whether you prefer to start on some other line?

Mr. COLEGROVE. That sounds very good, Mr. Ambassador. Could I ask, will we have time to brief sometime on Japan?

The CHAIRMAN. Yes. If it meets with your approval suppose we open up the southeast Asian thing and we will come later, perhaps this afternoon, depending on how the discussion goes, to the Japanese series. Is that satisfactory?

Dr. DuBois, will you go ahead?

Miss DuBois. Unfortunately the discussion which you carried on yesterday seemed to me so lively and so excellent that it cut the ground out pretty completely from under this briefing paper which I had prepared. I shall go ahead with it, however, largely as a résumé and as a summary of most of the points that you raised yesterday and then we can go on from there.

The countries of southeast Asia vary so greatly that it seems to me any estimate of that or any specific program of action in southeast Asia which can be phrased, which is phrased for the region as a whole, will need reinterpretation when applied to a particular country. It seems to me that a simple program or estimate for Indonesia and Thailand would be as inappropriate as a single estimate or program for, let's say, Korea and Japan. The differences are of that magnitude.

Despite the diversity which does occur, a few generalizations, it seems to me, can be risked. The first and the broadest is one which was discussed at the very beginning of yesterday's meeting, and agreed upon, namely, that there is a revolution in progress in southeast Asia and that that revolution is not co-eval with United States-U. S. R. R. tensions. It is a revolution certainly of 50 years' duration. It has affected more or less acutely all functions of the cultural lives of these disparate peoples. Yet it is a revolution which has not always been disorderly and simultaneously, I think one should remember in dealing with southeast Asia that not all disorders are necessarily revolutionary. For the United States to interpret the southeast Asian scene solely in terms of its own preoccupations with anticommunism is to run the risk of seriously misunderstanding the forces at work in southeast Asia and thereby of alienating the all-important leadership of the area.

Fortunately the U. S. S. R. seems to be making this very error in southeast Asia. The reasons, we may assume, are the doctrinaire quality of its southeast Asian advisers who impress one as being either fairly incompetent or too intimidating to render an honest judgment on the scene.

Now the revolution which is taking place in southeast Asia can be subsumed under three major blanket terms: nationalism in its political thinking, socialism in its economic aspirations, and humanitarianism in its social program. These,



of course, are direct reflections of western democratic thought, although certainly their appearance in contemporary southeast Asia lags behind their fullest manifestations in Europe. That these three major trends are western European in origin gives the United States a tremendous psychological advantage in dealing with southeast Asian leaders. However, I think it would be a mistake to expect no mutations in these major trends in the course of being transplanted.

Thus, the nationalism which is at the moment the major preoccupation is still phrased to a large extent as anti-imperialism. Furthermore, nationalist leaders have problems of unifying the nations that they aspire to create which are as great, certainly, as our forebears had in the eighteenth century. Sovereignty neither in its internal nor external aspects is yet a deeply experienced and internal force. I would expect, therefore, that their nationalism would be easily directed into international channels as soon as the threats of imperialism are removed and hypersensitivities on this score are respected. Once unity in these severely splintered countries—and I exclude the Philippines and Thailand—is established, international preoccupations will appear more consistently and frequently. However, until that time internal problems will seem more urgent than external ones in each of these countries. This complicates the situation. It means that the United States has to deal with five or six separate entities instead of one. It may retard cooperation between the countries of this area, and then of course there is the danger that splintered nations may more easily be exploited by those who enjoy fishing irresponsibly in troubled waters.

Socialism—to take the second main theme in southeast Asia—is still more an aspiration than a fact. It is closely associated with the desire, however unrealistic, to industrialize and achieve some degree of autarchy. In part, these desires stem from the realization of how vulnerable the export economy developed by European nations have made these areas to fluctuations in the world market. I need scarcely say the depressions of the 1930's was a very bitter experience in this part of the world. Another contributing factor is the knowledge that they lack investment capital and they need such capital from European sources, but that in acquiring it they do not wish to exchange economic controls for the political freedom which they have just acquired. On the whole, therefore, the preference is for intergovernment loans and government-controlled enterprises.

The third main strain in the southeast Asian revolution, the humanitarian one, is for the moment represented by a remarkable eagerness for education and for the development of literacy in the area. This, of course, was of value in the European nations where most of the southeastern leadership studied. It appears to them a *sine qua non* of intelligent and enlightened sovereignty. It is a force which, I believe, most nearly represents a mass movement in contemporary southeast Asia today. That highly literate populations like those of German and Japan have been no insurance against political abuse seems to escape most people's attention.

Associated with this trend is, of course, the desire for a higher standard of living and great admiration for American technology. I feel that our propaganda does not need to stress our technical competence or our standard of living anywhere in the world. It has already been sold and resold. It is a revolutionary force, some writers claim, which makes communism a pale and reactionary phenomenon by comparison. Although we do not need to sell the superiority of our technology it may be wise of us in southeast Asia not to rub in the differences in standards of living, and above all not to appear niggardly in sharing our greatly admired know-how. It may be unwise to arouse envy and undesirable to trade on strength which, though greatly admired, is admired in southeast Asia when well encased in velvet.

If the main elements then of the southeast Asian revolution have been correctly appraised, the next question which arises is, where are the fulcrums for the effective exercise of influence by the United States?

In terms of the class structure the major locus of power is the present leadership. It is predominantly western educated and western oriented in its thinking. The overt leaders who fell under the leadership of Moscow and remained there can be counted practically on the fingers of both hands. Furthermore, the peasant masses of southeast Asia are still largely politically unawakened, although that situation is changing faster than we may like to realize in countries like Indochina and Indonesia, which have had to fight for their independence. In dealing with these leaders we shall have to appreciate that they, like all politicians, will be under local pressures from their own peoples, which we



here in the United States only vaguely understand and probably frequently do not appreciate. We must realize, however, that the greatest danger to us in southeast Asia is that the armed and aroused peasants may escape from under the control of leaders essentially friendly to the west and become the pawns of Communist agitators.

An early and equitable settlement of disorders in southeast Asia and every effort to strengthen the present leadership in its unification of these countries appears to me to be an essential to United States interests. It is recognized that such leadership may not always be to our taste, however.

A second point d'appui open to the United States has already been suggested. It is the generous sharing of our technology. Here a generous technical assistance program was conceived. The realization by our economists that on its present scale it will not fundamentally alter even in a generation the southeast Asian standard of living had led to the suggestion that private capital is needed but naturally it must be provided safeguards. Actually whether such safeguards will coax American capital into underdeveloped areas may be worth pondering. The Bell Act which has been a thorn in Philippine national pride has not deluged the Philippines with American enterprises. In any event, the United States with its evaluation of private enterprise runs squarely against the state socialism of southeast Asian leadership. Already fears have been expressed in the region about our intentions on that score. Undoubtedly to secure our assistance the southeast Asians will temporize with their aspirations, but the attendant frustrations and resentments should not be ignored, should be carefully weighed against the chances of success in getting American private capital into the area.

A third and closely related lever available to the United States in southeast Asia is the previously mentioned desire for education. The Fulbright Act was probably one of the most constructive long-run measures for southeast Asia enacted in postwar years. However, it is limited to only three countries in the region, it has been slow in getting under way, it has been loosely coordinated with other policies subsequently developed like the technical assistance program, and has been nibbled away by other interests, lack of suitable personnel and the innumerable difficulties that always seem to beset the best of intentions. The Fulbright Act, however, is miniscule by comparison to the needs and aspirations of these areas. I feel that any guidance that this group could offer in refining and enlarging our United States informational and educational program and in enlisting our private educational groups in a multitude of both advanced and elementary programs, an education might be amply repaid in terms of long-run national interests.

Now these are some of the assets we possess in southeast Asia. Where, then, are the weak points in our potentialities? Here I would like to consider two types of weaknesses, those which are inherent in southeast Asia and those which are inherently our own.

It seems a justifiable assumption that the Chinese Communists will continue their push into the neighboring countries of southeast Asia. What their reactions will be will depend upon the nature of the push. Let us suppose that it would be directly military and would be limited to the land approaches.

Mr. Furnivall, an outstanding British expert sympathetic to the present Burmese Government, is convinced nothing would heal the present schisms in Burma more effectively than an armed Chinese incursion along the northern Sino-Burmese border.

In Indochina the dislike of the Chinese is traditional. It has been reinforced by the postwar Chinese occupation of northern Indochina. Any Vietnamese Communist leadership in the Republic of Vietnam which would encourage or condone Chinese military incursions would be widely discredited and might make more friends for Bao Dai than the French or the Emperor himself have yet been able to win.

Thailand's traditional nationalism and anti-Chinese position is presently more overt than ever under the authoritarian Premier Phibul. In fact, Phibul has recently stated that Thailand would welcome British and American troops on Thai soil in the event of a Communist invasion.

All of these factors are not unknown to the Chinese Communists and it seems improbable, therefore, that they would take the risks involved in direct military action even though they might be militarily successful. Also, it is still far from clear that the U. S. S. R. trusts the Chinese Communists sufficiently to use them as their "running dogs" in southeast Asia.

Obviously, however, direct military incursion is not the only instrument at the disposal of the Chinese Communists. Chinese governments have traditionally



taken a proprietary attitude toward their 6 million overseas Chinese in southeast Asia. Such attentions have never been welcomed by the government of any region. Among the people of the area, justly or unjustly, the Chinese have always been suspect. This position is intensified at present for the Chinese have held aloof from the nationalist struggle. The increased nationalist sensitivities in these countries since the war is likely to make Chinese Communists' appeals to their overseas dependents as obnoxious as those of Nationalist China. This, however, is certainly no adequate discouragement to the Chinese Communists.

If no direct military action is likely, what are the Chinese Communist potentials? Opening propaganda, which has already been launched from Peiping on southeast Asia will undoubtedly be intensified, but in my estimation it is of dubious effectiveness. I suspect—and this is highly intuitive judgment—that shrill propaganda may be one of those self-defeating techniques whose effectiveness is already largely exhausted. However, it may be unwise to underestimate it too soon at least in these so-called marginal areas of the world, but our own information services, expanded, more astute, certainly more repetitive, would probably stalemate the line coming out of Moscow and Peiping.

Far more sinister, it seems to me, are the possibilities of clandestine infiltration and activities whose goal will be to intensify destructively every possible grievance, racial discrimination, minority frictions, pay differentials, poverty, police measures, national aspirations and that whole host of evils which exist today in southeast Asia.

These clandestine efforts will certainly be facilitated if the countries of southeast Asia will recognize the Peoples Republic of China. Chinese Communist diplomats will afford the opportunity to shout at clandestine operators, to bribe and to terrorize the resident Chinese in southeast Asia who have always been noted for their practicality in such matters rather than for the strength of their moral convictions. Furthermore, to the extent that the Peoples Republic of China gains a position on the international forum its strident echoes of the U. S. S. R. on the subject of Anglo-American imperialism will have the weight of an Asian voice which has been "successful" in its revolution. I think that we should not underestimate the fact that the Communist success in China is seen as a successful revolution in many parts of Asia. It seems to be that in a case of that sort on the international forum our best defense will be the kind of diplomatic astuteness which Mr. Henderson has had in India and above all our actual record about which it seems to me we insist on being far too modest.

In my opinion this question of the overseas Chinese and the opportunity they offer Communist China for clandestine and diplomatic infiltrations in southeast Asia is one of the greatest hazards to United States interests in the area. Unfortunately, in terms of other considerations, recognition may have to be granted to the Peoples Republic and the attendant liabilities reckoned with.

In addition to the difficulties posed by the overseas Chinese and the recognition of Communist China which are immediate there are long-range difficulties. The population problem, particularly in relation to the food supply, is perhaps one of the major ones. The Far East as a whole occupies a unique position in world economies by being predominantly agricultural, and yet being on the whole a food deficit area. Faced with this gross problem the impulse is to encourage rice-producing areas like Thailand to produce as great an exportable surplus as possible. If the Office of Intelligence Research estimates are correct there is little likelihood that any foreseeable amount of encouragement to rice production will result in more rice than the Far East sell at a good price until 1960. However, by 1970 it is estimated the population and food production may once more be unbalanced as they are today. It is also estimated that the Chinese Communists will still be in control in China in 1970. It is here again that bold new plans seem as urgent to the United States interests as they are urgent to Asian leadership.

Here, perhaps, modest industrialization and economic diversification might concern us with equal seriousness and simultaneously with the food population equation. Certainly in an area as large and diversified as southeast Asia any simple unilateral approach would not be adequate.

Now it is not my function to dwell elaborately on the difficulties inherent in the southeast Asian scene. It may be more appropriate now to pass on to inherently American difficulties when we cooperate in the region. The first two difficulties seem to me closely related—indifference and commitments elsewhere. At the beginning of World War II China specialists were practically a dime a dozen compared to those on south Asia. Since the war Japan specialists seem to outnumber even those on China. Persons interested in the Far East are



termed specialists while every fifth person in the United States has no hesitancy about speaking authoritatively on Europe. He may do it even in fluent French or German. It is not astonishing, therefore, that in both our war and peace strategies our concern has been primarily for Europe. It is undoubtedly both practically and emotionally an area requiring urgent and vigorous effort. If, however, we are not to go on waiting for crises to develop before we become aware of them it will be necessary to act like the U. S. S. R. on a global basis. In respect to southeast Asia we are on the fringes of crisis. The initiative I consider is still narrowed on our side. Specifically, what this may mean is will the United States—and here I don't mean just the policy makers—be rich enough and above all willing and foresighted enough to apply preventive measures before south Asian opportunities are squandered.

In our preoccupations with Europe and our heavy and legitimate responsibilities there the weight of European arguments may cloud our judgments. For example, the interests and stability of France and the Netherlands, close and familiar as they are, may serve to throw out of perspective our very real interests in Indochina and Indonesia. Traditional British preeminence in south Asia may have made us careless of developments in the region.

To continue with this weighing of Europe versus Asia, the question of the Pacific versus the Atlantic Pact is another case in point. If the Atlantic Pact is obviously in our immediate interest is a Pacific pact less in our long-range interest? Or, to narrow the matter down, can we judge whether military support to the northeast Asian group, Korea, Formosa, Japan, and the Philippines, is more effective than support to the southwest Pacific group, Australia, New Zealand, the Philippines, perhaps plus other commonwealth nations? Or, thirdly, is it more effective to support the more nebulous Indian Ocean bloc? Do United States interests lie in consolidating the Indian Ocean bloc with the two Pacific arcs or do our interests lie in two or more such aggregations in the Far Eastern periphery? If one or the other course seems wise to us what means can be applied to implement them? These are questions which I assume this group will discuss in the course of the day.

In discussing United States weaknesses in the Far East I have raised two related issues, our preponderant interest in Europe and therefore the degree to which we have as a people concentrated our eggs in one basket.

The last point I should like to raise in respect to southeast Asia is even more unabashedly a valued judgment. It has to do with our moral leadership in the area. If we wish to be seriously hard-headed about the southeast Asian scene it is necessary to realize that their moral values are still potent and prized factors. Their leadership was primarily trained in our founding faith. The streets of Saigon and Batavia were plastered with slogans from Jefferson, from Lincoln, from the Declaration of Independence, from the Constitution, and from the Atlantic Charter when the allied troops arrived in September 1945. In our commitments to Europe and our antagonism to the U. S. S. R. we may appear in that area to have temporized with the idealistic and perhaps naive expectations of southeast Asians. Whether it was avoidable or unavoidable we certainly lost much of our influence in the area. Whether or not we personally as individuals prize our traditional morality or have been won over to real politik is not relevant sociologically. What is relevant is to the extent that the United States temporizes with its own principles it is abandoning the instrument of great political force in southeast Asia. The U. S. S. R., were it in a similar position of active responsibility, would undoubtedly be even more gross by contrast, but as far we are in southeast Asia, at least to some extent. We have the initiative. The U. S. S. R. and Communist China are still only potential forces, perhaps brighter for being less manifest.

This much is clear: Whatever our priorities in the short run, however coldly calculated in power terms, they must be compensated for by long-range encouragement, reassurances, and planning with and for the south Asians if we are to counteract Communist intrusions.

The CHAIRMAN. Thank you very much, Miss DuBois.

Mr. COLEGROVE. Mr. Ambassador, may I ask you whether Miss DuBois would be willing to comment on Governor Stassen's proposal for an American propaganda center at Bangkok?

Miss DuBois. Siam has always, of course, been very sensitive to the fact that it has been the one independent nation in southeast Asia that has not fallen directly under colonial control. India considers Siam today a rather insignificant and reactionary country. Bangkok is not an awfully pleasant climate. The port is not a very good one; it has only north-south transportation



on land at least. I should think if one has to have an American capital in southeast Asia it might at least find a more salubrious point.

Mr. COLEGROVE. Where would you have the capital if not at Bangkok, or would you have a capital?

Miss DuBois. I would not.

Mr. DECKER. I would like to ask Miss DuBois to comment briefly on the relationship of the American position in the Philippines to this southeast Asia mass. We have had some experience in the Philippines and I happen to know that many of those areas do look with considerable interest to what is going on in the Philippines. I wonder if that gives us an advantage or disadvantage.

Miss DuBois. I think our records in the Philippines stands us in very, very good stead in southeast Asia. I mean that is an honorable record and that is always quoted and that is of great advantage.

Mr. DECKER. In spite of the Bell Act?

Miss DuBois. Yes.

Mr. VINACKE. I wonder if she would develop a little further the leadership potentials in these countries. How far is there leadership politically and administratively at the present time?

Miss DuBois. I would say the administrative and politically competent leaders in that area are very, very few. That is one of the very great weaknesses, but those who are the leaders by and large, with some exceptions that can be named, are very strongly on our side.

Mr. VINACKE. How far do they have mass following?

Miss DuBois. I think that varies tremendously. I can't make a generalization for southeast Asia. I would have to go over it country by country.

Mr. KIZER. This master elucidation of the southeast is intellectually so compact that some of it slops over. I wonder if copies of it could be furnished. I know a number of the men around the table are looking to that for further aid. Is it possible to have them?

Mr. BALLANTINE. I would like to make a suggestion to Mr. Kizer. Miss DuBois has written a very excellent book on southeast Asia which I have read with a great deal of interest and also the contribution that she made last summer at the Harris Memorial Foundation in Chicago was also an outstanding contribution. That leads me to one question that I would like to ask Miss DuBois. The question is that I gather the distinct impression from reading the record of that conference that the basis for a regional security pact in southeast Asia didn't exist because economically the region was competitive rather than complementary, socially and politically there was a conflict between the interests of colonialism and of nationalism and also there was a fear on the part of these countries of southeast Asia that they were Balkanized, that they were in danger of being overwhelmed and inundated by China and for that reason those conflicting interests didn't leave a strong basis for a regional pact. That was the impression that I got from reading that study as a whole.

Miss DuBois. I would feel that that was pretty much the conclusion of the conference, wouldn't you, Mr. Talbot?

Mr. TALBOT. There was a very strong feeling in that direction.

The CHAIRMAN. We will see what we can do with this and see if we can reproduce it.

Mr. HEROD. I would like to ask Dr. DuBois—maybe she answered this before I came—but General Winfield in his book on China gave some very plausible arguments for increased food production by a lot less people by a large distribution of land rather than smaller ones and certain other changes. Does Dr. DuBois see the possibilities in southeast Asia and also in China of any corresponding increase in food production to change that equation?

Miss DuBois. I think there will be no difficulty, once political settlements have come, in increasing the rice production of southeast Asia.

Mr. HEROD. Also China?

Miss DuBois. I have no judgment on that, I am sorry. But even with no very elaborate large-scale rice culture which has been experimented, I am told, in the Philippines by UNRRA, even using the old techniques with slight improvements in strains and fertilizers, that rice production in southeast Asia could be practically doubled. You see, all the surpluses of Indochina, for instance, aren't available now. That is almost a million tons prewar that was exported. That is not on the market now. It would save India a great deal if they could buy that Chinese rice.

Mr. FAIRBANK. In connection with the lack of leaders in southeast Asia, don't we have a great danger from the corresponding lack of American personnel who



are able to maintain real contact with those few leaders that are there. It seems to me in all of Asia we suffer if we rely only on our embassies and consulates to maintain contact with the native leadership because if you want contact with the revolutionists and you are in diplomatic channels in credit to the local regime it is difficult. We need certainly a great many more Americans like Mr. Talbot, if I may take an example, who has had personal experience in the field. He is an unusual and almost unique individual because a particular foundation saw to it that he spent some time seeing people as a private citizen in those countries.

One thing it seems to me this conference might consider is the need of getting more Americans into the far eastern scene outside of diplomatic channels which handicap their contacts and more freedom to develop an association or understanding of the native leadership.

Mr. REISCHAUER. Miss DuBois, you made it quite clear that you thought it was impossible for the Chinese Communist armies to spill over into the Burmese and French Indochinese area, in effect they compromise themselves by propaganda.

Miss DuBois. I don't think so. I said if the Chinese should make a military push it would unify the feelings.

Mr. REISCHAUER. They could push across but they would nullify their efforts on the propaganda side. Do you think there is any danger when they reach the borders they could pass over to groups on the other side with whom they are in sympathy matériel and so forth? Would that change the balance of military power across the border?

Miss DuBois. What you are thinking of specifically is will the Chinese Communists pass arms to the Vietnam resistance. Yes, I should think they would put then the passage of arms over that border on a smuggled and purchased basis would be very active. It would be nothing new except perhaps in magnitude. Arms are going in and out at a great rate over southeast Asia, of course, only they are paying for it perhaps a little bit more and getting a bit fewer.

Mr. MURPHY. On that score I just want to point out that we spent a good deal of time during the war passing arms and support to Ho Chi Minh, the gentleman in question, for about 2 or 3 years over that border.

Mr. COLGROVE. Mr. Ambassador, may I ask Dr. DuBois one question regarding trade between Japan and southeast Asia? If Japan revives economically and lessens the burden on the American taxpayer Japan must have markets. One market, of course, would have to be Manchuria and not China and we hope Indonesia and possibly a revival of the old trade with Burma, Siam, and other southeast Asian countries. I believe the figures before the war were about 15 percent of Japanese imports came from southeast Asia. Does Dr. DuBois think that trade could be revived and expanded?

Miss DuBois. I think that the Department will bend every effort to encourage the development of Japanese-southeast Asian trade, Japanese consumer goods, things of that sort in return for southeast Asian rice.

Mr. COLEGROVE. Will southeast Asia take Japanese exports?

Miss DuBois. I think they would.

The CHAIRMAN. Mr. Vinacke.

Mr. VINACKE. I was just wondering whether your last reference meant that the heat would be put on by the United States; for instance, until we compel the Philippine Government to go further than it has been willing to go under certain pressures up to the present time in reopening trade with Japan on a basis that leaves the trade open to Japan rather than on any other basis. Was that the implication when you said the Department was going to open up trade.

Miss DuBois. Now I was saying they would do everything to facilitate the surplus trade rather than our shipping in costly dollar wheat. It was in the food for consumers trade.

Mr. DECKER. Mr. Ambassador, I would like to have Dr. DuBois comment on the present appalling conflict in Burma—to what extent she sees that as an evidence of Communist influence, infiltration? To what degree is it domestic to Burma, and does she see any solution of it?

Miss DuBois. Burma is not the field that I watch from day to day, Mr. Decker. I can here only quote Mr. Furnivall's opinions, and Mr. Furnivall is of the opinion that communism today in Burma is not a menace; that you are seeing characteristic interim disorders that have been traditional in Burmese history. Mr. Furnivall is of the opinion that the Kerens for more than the various splintered so-called Trotskyists and Stalinists groups—that the Keren uprising is more important than the Communists, and certainly the Kerens are not a radical



group. In fact, one of the things they are protesting is the radicalism of the present government of Burma. It seems to be simmering down. I suspect that you are going to have in maybe 4 or 5 years a reasonably stabilizing Burma under a fairly socialistic government.

Mr. DECKER. I agree with you entirely.

Mr. TALBOT. At this point I merely wanted to add a footnote that the south Asian demand for Japanese trade at the present time has swung over to a different line than it did before the war. Textiles are no longer the big demand from Japan; now it is more machinery, machine tools, and semiproductive equipment. Many of the south Asian countries are concerned with producing their own textiles, so that the nature of the trade may be somewhat different even though the trade itself may come to approximate what it was before.

Mr. COLEGROVE. What percent textiles are domestically made in southeast Asia, what percent of the market?

Mr. TALBOT. I don't have any idea. India is a strong textile country. I couldn't answer you.

The CHAIRMAN. Mr. Staley.

Mr. STALEY. I would like to ask with reference to the possibility that the United States might start, say, in the fairly near future, a program along the lines of point 4 in this area, what particular countries do you feel would at present be the best places to start? Some of them I suppose you just couldn't start very effectively in now, in terms of leadership available, willingness, desire for this sort of thing, and all the other factors, one would have to take into account.

Miss DuBois. Well, actually, as long as the settlement is not reached in Indonesia, as long as the war continues, as long as the disorders continue in Burmese, these are not profitable places to start a point 4 program. We have put a good deal of aid into the Philippines already, and we consider our record there on the point 4 level is very good already. It leaves practically nothing but Thailand, if you included India, of course. So, Thailand is one of the places where we can start moving immediately, let's say, and, in fact, we have in terms of the International Bank loans and so on, that sort of thing is moving along. Indonesia will offer tremendous possibilities if all goes well, say by mid 1950.

The CHAIRMAN. Mr. Rockefeller.

Mr. ROCKEFELLER. Miss DuBois has implied we were somewhat modest in letting South Asia know about American accomplishments. I was wondering how extensive, if at all, is the United States Information Service in southeast Asia?

Miss DuBois. There is quite a big shop in Bangkok. Perhaps somebody from the Information Service here will have these figures more readily at his disposal than I.

A VOICE. They will be given this afternoon.

Miss DuBois. All right. The thing, for instance, that occurs to me, and Mr. Jessup spoke of it before the General Assembly, and it was a tremendous feather in our cap in southeast Asia. It was quoted but just once. It should go back and back and back—I mean excerpts from that speech should be referred to, should be released at every opportunity. The people there treated it as a news item rather than as a piece of propaganda.

Mr. ROCKEFELLER. But is the service in each country—I mean do we have a network?

Miss DuBois. Yes, you have a network service in all countries.

The CHAIRMAN. We will have further views this afternoon from Mr. Sargeant on the details of our operation.

Mr. ROSINGER. Could you give us some impression of the situation in and of China?

Miss DuBois. The March 8 agreement with Bao Dai has moved very, very slowly toward a computation only beginning in September with the 10 sub-commissions set up to begin discussing further carrying out of the March 8 agreement. The first priority was given to the transfer of the courts of justice in the theater and seems to have led to a good deal of difficulty. Those negotiations promise to drag on, well, if the Indonesian negotiations are any criterion, for years if the Bao Dai regime lasts that long. The Republic of Mentnow (?) is granting Bao Dai a traitor and a puppet of the French. There are estimates which are very discouraging to the success of the Bao Dai experiment. I think that most of the western European nations, including ourselves, hope that the Bao Dai experiment will work, that Bao Dai will be able to set up an effective government and gain considerable popular support, but I think it is only a hope and far from an assurance.



Mr. ROSINGER. I was thinking particularly about the present military situation. The question was raised as to what effect arms from across the border would have, which you answered in part by saying that arms have been smuggled through for some time, but let's say, to what extent increased arms from across the border would have when the Chinese Communists reach that frontier—how would it affect the Indochinese military situation?

Miss DuBois. I would rather have Colonel McCann answer that. I don't feel too competent on military questions of this sort.

Colonel McCANN. I think in a way there would be considerable political implications which might not be as pronounced as if the Chinese Communists tried to get into the area themselves, but I don't quite visualize their just giving this stuff gratis to the Ho Chi Minh elements in Yennam. There would be some quid pro quo involved, I believe. However, I think, in general, it is a fair assumption that the arms traffic would increase. Another aspect is, of course, that as the French might expand all their military resources, and they might become increasingly unable to cope with the seaborne arms traffic which is going on in the area, the Ho Chi Minh forces have achieved at least a stalemate in the area, and continued French military—there is a continued French effort to achieve a military solution, it is not a self-liquidating proposition. In fact, it inherently increases the opposition that that military strength must encounter. How far the French can expand their military effort depends upon a lot of questions: their problems in north Africa, their commitments in western Europe, and the extent to which the United States is willing to back a military solution in Indochina, even though indirectly through the western European organization. Now, those are some of the considerations. Does that give you something to raise a precise question that you might have in mind?

Mr. ROSINGER. It does, but the particular question I had in mind was this: My impression, which I offer very tentatively, is that the military situation in Indochina, granting a number of differences, might be compared roughly with the position of the Generalissimo's forces in China itself, let us say in 1947 or possibly early 1948. In other words, I am wondering whether the French prospect there is of the same general character as Jung's prospect was a year or a year and a half ago.

Colonel McCANN. There are aspects of similarity, certainly, one, of which I have mentioned—that seeking a military solution sows the seeds of its own failure. There is another similarity in the military situation—that the French are holding principal cities by military force, and attempting to keep open certain major lines of communication, which is a very costly sort of an operation against a Keren opposition. That is one of the things that makes the French job so costly in military terms.

Mr. LATTIMORE. Would you go so far as to say, Colonel, that the only sure way of guaranteeing a really large supply of really good arms would be to furnish them to the French or to Bao Dai?

Colonel McCANN. On the basis of my knowledge I don't think the turn-over supply operation has been anywhere near as extensive in that area as it was in China, I mean if we are drawing a comparison.

Miss DuBois. Colonel McCann, wasn't there a recent news report by Steele, an interview with Ho in which Ho claimed that three-quarters of his arms were captured from the French—whether that is true, I don't know.

Colonel McCANN. I don't know that I have read that particular article, but if we are drawing this comparison between the situation in China and the one in Indochina I would still say that even if it were true that the whole forces are using French arms they have probably captured them rather than acquired them by turn-over, which, I thought, was Mr. Lattimore's point.

Mr. MURPHY. I would like to ask Miss DuBois' opinion of the political effect in China of the Atlantic Pact arms turning up there in the hands of the French?

Miss DuBois. First of all, the French have had American equipment there, you know, in addition to which there was left-over stuff; in addition we have already had ECA materials leaking into Indochina which has been observed and criticized. Officially Ho at least has taken an astoundingly moderate attitude toward ECA and toward the Atlantic Pact. It has been quite un-Kremlinish. He has said: "Well, sure we understand the United States wants to help its friend, France. Why not? We don't begrudge France's attempt to get back on its feet" and so on. It is only when the stuff begins to appear in Indochina that then you get expressions of resentment toward the United States, and since the stuff has been coming in one form or another either through ECA or lend-lease, and the old wartime arms and so on, I don't think it will come as anything new or shocking.



Mr. MURPHY. Except that there will be a good deal of new reference to it within Indochina. I believe there has been already, which might make the situation comparable to this 1947 Chiank Kai-shek episode in China.

Miss DuBois. We haven't been increasing love in Indochina, but oddly enough we have not been as disliked as we might have expected, and it is quite astonishing in reading the extreme right and the extreme left press in China to find them almost indistinguishable in their anti-Americanism. There is the strong colonial forces in Indochina, the reactionary forces have been as bitterly anti-American and have thrown the reaction of American imperialism as rashly and as frequently as the extreme left press has.

Mr. HEROD. What is the present status of the policy of ECA aid in the Netherlands East Indies in the light of the Hague Conference?

Miss DuBois. The ECA cancellation of aid to Indonesia still holds until, presumably, an agreement has been reached and the nature of the agreement reached at The Hague.

Mr. HEROD. Does that mean we are going to back—

Miss DuBois. I think our position has been impeccably neutral. By and large our negotiators have been remarkably impartial in trying to get a settlement. I mean they pressured both sides depending which side at the moment needed most pressuring in seeking agreement. I have the greatest respect for Mr. Cochran's astuteness and impartiality.

The CHAIRMAN. I wonder if we may turn the table a little and ask some questions from this end of the other end, and I would like to ask Mr. Lattimore if he would care to follow the implications of his question, and suggest what he thinks our attitude should be toward the Indochinese situation.

Mr. LATTIMORE. On Indochina I think I must echo what Miss DuBois said about Burma in the field of my competence, so I am answering the question.

The CHAIRMAN. Of course, there is a very real and current problem there in regard to the attitude of the United States vis-à-vis the Bao Dai Government, and any suggestions that any of you have on that would be extremely welcome.

Mr. LATTIMORE. Well, as a general view, Mr. Chairman, I think that Miss DuBois made a very important point when she said that in relation to the general situation in the rest of Asia there is a tendency to emphasize the fact that the Chinese revolution has been successful rather than the fact that it is Communist—is that quoting you correctly, Miss DuBois?

Miss DuBois. Yes.

Mr. LATTIMORE. And I think that one of the things which we must face very realistically, therefore, is that American propaganda throughout Asia emphasizing the Kremlin sympathies and Kremlin ties of the new Chinese Communist regime may be less effective than the tendencies of nationalist movements of all colors in Indonesia in proportion as they tend to become militant to imitate what has been done in China because it has been successful rather than because of the source of its origin.

The CHAIRMAN. And what conclusion would you draw from that?

Mr. LATTIMORE. One conclusion I would draw is that Colonel McCann has shown us a military situation in Indochina which in a general way, allowing for differences between the two countries, resembles the military situation in China, say, a year and a half ago, and I would not be surprised if the military stalemate which Colonel McCann says Ho Chi Minh has achieved in Indochina might, if it goes on long enough, cease to be static and lead to the beginning of her turn-over movements in Indochina which he says have not become manifest yet.

Mr. McCANN. Excuse me, could I footnote that? The turn-over was, speaking purely as military units.

Mr. LATTIMORE. That is what I mean: That you might easily get a situation in which if the French pressed by their difficulties elsewhere, to which Colonel McCann alluded, felt themselves forced to try to operate in Indochina by arming Bao Dai units rather than French units those units might begin to turn over as units.

Mr. PEPPER. Unlike Mr. Lattimore, I am more interested than competent. I agree with Dr. DuBois, you have to look at this as all of Asia, now as always. I think from Burma up to Vladivostok everything will turn on how we act toward China, the moral effect of the Chinese revolution is, of course, as liquid as the Japanese victory over Russia in 1905. As she also said, there is a considerable whispering campaign. I guess it begins in Bombay and goes to Vladivostok, about America having grown up and being, like all grown-ups, bad. It is a great power, so it is a great empire. That is probably not true, but it is a good talking point. If we take the position with reference to China that we are



obstructing everything, that we refuse to recognize—I am using “recognize” now in the technical sense—that we refuse to acknowledge what has happened in China, if we attempt to sabotage right away or even to oppose, to cut off, to ostracize, to expel, I think certainly from India on it will be said by the Ho Chi Minhs, by the Siamese, by the Burmese, by the Serkenos (?): “Well, you see the Russians are right, the Americans are just imperialists.” We have stood historically in that part of the world largely out of our Philippines record. We have stood historically as anti-imperialists, as equitable with respect to Asiatic people, that is at least in question now in the minds of all these people. No matter how much USIS, no matter how much propaganda you have got, official propaganda, it will do you no good as long as we give at least the impression that we have changed, we are no longer the country that freed the Philippines and which sent the school teachers instead of the soldiers and that we are out, one, to keep the status quo of 5 years ago, and, two, to use any power in Asia with regard to our larger political purposes, that is, our opposition to Russia. She touched on that too which, I think, is the essential.

If we are at least neutral about China, and are not hypersensitive about measures of socialization, Siam—if there are any, there are none yet, I guess, Indochina, Indo-Asia. If we recognize, first that these people are going to have to get their independence sooner or later and if we don't blackball them, even if their ideas are different, I think we can hold them, I mean by that we can keep them from going to Russia. I think the key will be taken by what we do in China. The odds are against us now and we lose part of Asia. I think we can turn the odds, first, at least neutrality about Communist China; second, no obstruction to either the Nationalist movement which has got to win sooner or later, and two measures for economic and social change.

With respect to the danger, the sort of magnetic danger from China, the Chinese Communists, the fear that they are going to come in, I am not so sure they won't try to come in. The Chinese have a way of losing their heads when successful, they proved that in 1927 and 1929, but maybe not. As for their pouring arms into Indochina, Indonesia, Burma, Siam, elsewhere, where are they going to get the arms now. Not from us any longer, that's true. They are not going to be operating on a surplus economy, are they? I don't think there is much danger from that. I think the question is largely a moral question. They will be with us or against us according as they think we are for the status quo and anti 1939, and they will make up their mind, I think, in accordance with what we do about China.

Mr. VINACKE. I think the question I was going to raise has been partially raised in what Mr. Peffer just said as his conclusion. His conclusion, or apparently this implication of it is that the American foreign policy in the east, that the expense, or without necessarily having at this stage come to the cost in relation to Europe, the United States should direct all of its efforts, put all of its efforts directly behind revolutionary movements wherever they appear, if they are to have any sort of mass foundation. That is, there should be no neutrality in relation to nationalism in Indonesia as against the Dutch. No neutrality as against nationalism in Indonesia as against the French. No neutrality in relationships in China itself where there is an apparent possibility in long-run historical terms of a local nationalist movement being successful, then our policy should be directed toward assuring that it will be successful so far as possible, is that the implication?

Mr. PEFFER. I wouldn't go that far. I wouldn't go pell-mell to making revolutions because even if they are right they cause embarrassment and we have got enough embarrassment.

Mr. VINACKE. Where they exist you would support them, rather than be neutral.

Mr. PEFFER. I wouldn't be obstructive. I don't think I would go looking for Ho Chi Minhs where they didn't exist. I mean just merely on the principle that the less trouble there is the less trouble we have got, but I would not obstruct.

Mr. VINACKE. The most stabilization is a status quo situation, not a revolutionary situation.

The CHAIRMAN. Is there a difficulty in determining whether a Ho Chi Minh, using that as an engineering term, is really an indigenous leader of a foreign revolution or whether he is a foreign agent.

Mr. PEFFER. Isn't he generally both?

The CHAIRMAN. You have to take that into account.

Mr. PEFFER. But if he is enough of a local leader I would say you might as well swallow with bad grace, if necessary, but swallow the fact that he is also a foreign agent and by not antagonizing stand as well in with him as the foreign guy does, he being Joe Stalin. In most cases I think there is a double implication,



and that can't be blinked, it looks as it too piously to say that these people are only democratic, they are democratic as well as Cominform, but we can stand in as well as the Cominform. We are fairly confident they are going to win anyway.

Mr. DECKER. I don't know whether I understood Mr. Vinacke a moment ago. But he wouldn't suggest that status quo is stable when a revolution is going on at the same time in the country.

Mr. VINACKE. If we can stabilize conditions you have more stabilization than if you have a continuing revolutionary situation.

Mr. LATTIMORE. On this question of the local leader or some other leader who is also to some extent a foreign agent don't we have to go a little further into the background than that? It seems to me that the fundamental fact is that in our time there has been a basic shift in all Asia which consists of the fact that before 1918 there was no really effective way in which the peoples of Asia could play off the great Western Powers against each other. Since then, growing after the First World War, and increasing very rapidly after the Second World War, there exists a situation in which nothing that we can do can prevent these Nationalist leaders from profiting by the fact that the U. S. S. R. exists, and that they can play the rivalry between the U. S. S. R. and the United States and make a percentage on it; that that creates a kind of leverage and ranging from leverage to negotiating, bargaining power, which they have and which we can't take away from them.

Now some of those leaders and negotiators may like and admire the Russians whose existence they are using. The others may be using them without particularly liking or admiring them. But the fact is that all of them can use that existing situation.

Mr. MURPHY. With respect to this dual relationship that we have just been discussing, one thing we have to consider is which is the No. 1 motivation in which the second—taking Ho Chi Minh, for instance: Some people consider him a patriot. Some people consider him an agent of Stalin. There is always the possibility that he is a patriot, No. 1, and a Stalin agent, No. 2, and that if he can advance his program and be successful on a national basis he would prefer it. But if he ends up in a stalemate then he takes the aid of Stalin. With respect to this playing off of one against another I think Dr. DuBois will agree that in Thailand, for instance, for the last 30 years until this postwar period, it was a definite and a well-recognized technique to play off the British against the French. Three or four years ago at the end of the war suddenly the Americans appeared and so the Thais all sat back and said: "Here is another element that we can use."

I think with respect to all of southeast Asia there is no doubt about it that in almost all the countries, and I would include Mr. Nehru's Government, there is a spiritual affiliation, though not necessarily a political affiliation, with the Chinese Communist movement.

Mr. LATTIMORE. I don't want to talk too much but may I just supplement that because the phrase used by Mr. Murphy seemed to me very significant. He spoke of spiritual affiliation and he took Ho Chi Minh as a type of example. I am not sure Ho Chi Minh is a general type but let's follow that up for a minute. It is very pertinent to this question of spiritual affiliation, and the question whether a man's loyalty is fundamentally to the Kremlin or to his own country. A man like Ho Chi Minh is inevitably referred to as Moscow-trained, but if we go back in his personal history we find that he began as a French colonial intellectual who went to France, became affiliated with the French Socialist movement and at the end of the First World War followed the European Left Socialists who took over and joined the Bolsheviks, Communists. He then went to Russia and got some Russian training. But if we are thinking of our own problem, which is basically more significant, the relatively short Moscow training, or the relatively long French training, which is more significant in colonial politics—the spiritual affiliation with Moscow, or Peking, or the spiritual difficulties, affiliation of the progressive colonial Asian intellectual who takes a try at the best that the west has to offer, and then goes on down and down the ladder until he gets off the ladder altogether and starts up the Moscow ladder. That is a problem which is our problem and with which our policy can deal.

The CHAIRMAN. I am going to suggest we take a 5-minute interval and re-assemble in 5 minutes.

(After a 5-minute recess the meeting reconvened).

The CHAIRMAN. Mr. Brodie.



Mr. BRODIE. Of course, I am a complete layman with respect to the area we are discussing today. But I must say I was rather disturbed in reference to the last few comments that were made before we recessed—I was quite disturbed at the lightness with which connections with Stalin were apparently taken. It seems to me we know enough now about the manner in which the Cominform operates to realize that the Cominform is not as opportunistic as one might infer from some of the statements made. It is rather evident that they have something to do with choosing the leadership of these revolutionary movements rather than merely with discovering it. It seems to me also that very definitely there is a price to pay on the part of the leader of a successful revolution under Communist auspices. He has a boss. So much for elements in which American interests are very directly involved.

I would say, secondly, and here I have reference particularly to the implementation of a point 4 program, it makes a great deal of difference to this country what the character of the leadership of a revolutionary movement is. In that respect I think one might profitably contrast the situation in India with that in Burma. India is clearly a country today in which the implementation of the point 4 program would be meaningful. Burma, so far as I can see, and, again, I speak with a very large measure of ignorance, but again it seems to me quite clear that Burma is not such a country, and the difference is very largely in respect to the character of the leadership of the revolution movements in both countries.

I think Mr. Vinacke had a point which probably he spoke on too briefly to get across, and that is that in order to do our utmost and exercise and utilize our resources, intellectual and moral as well as economic, in those areas in the manner which helps them and thus indirectly us, we are very concerned with achieving a situation of genuine stability, and that in many instances such stability seems to be better implemented by supporting the regimes which are presently in control even though they have the bad onus of being colonial regimes. I wouldn't want to stress that point, but I would certainly feel that the mere fact that there is a revolutionary ferment in the area, the mere fact that colonialism is definitely passé so far as moral hold is concerned, etc., does not by any means argue that it is in the American interests to go whole hog for any revolutionary movement that appears regardless of the character of its leadership regardless of the character of its popular following and so on.

The CHAIRMAN, Mr. Kizer.

Mr. KIZER. I recall that in the white paper of the Department back in 1944 Mr. Davis, who was then associated with the theater commander as an observer, I assume drawn from the State Department, warned us rather carefully that the policies we were engaged in supporting wholeheartedly with various military supplies, the Nationalist Government during the war, and doing nothing with respect to the Chinese Communists, about what is bound to drive them into the hands of Russia. I think we ought to bear in mind that we have done a good deal in that way in driving potential movements into the arms of Russia, and for that reason I tend to go along with what Mr. Pepper has well said, and I bear in mind what the last speaker, Mr. Brodie, has also said, not that we should go whole hog, neither Mr. Pepper nor myself mean that. But when it becomes apparent, as I think it has become apparent in Indochina, that the days of France are numbered, and that the revolution is on its way toward control, it means to me we ought to be quite sensitive and watch for that situation, and, in the first place, not take sides unless we are compelled to, and see to it that we don't drive the revolutionary movement again into the arms of Moscow.

On that subject I think Miss DuBois put the matter very well when you said that Russia's doctrinisms put Russia at a great disadvantage in understanding or dealing with the complex problems of the Far East. That is not her exact phrase, but I trust it is a close paraphrasing. We must in our turn be careful our dogmatisms don't drive away that revolutionary ferment from us and into the arms of Russia. Careful sensitiveness as to what is going on in the Far East, on both sides, and when the issue is in doubt aloofness from taking sides, I think is pretty desirable in all of this situation.

We were discussing yesterday what we could do in India to strengthen that situation. If India becomes, which it may during this period of confusion, the leader of the Far East in any policies that we frame with the Far East, it seems to me we would do well to learn as much as we can from Indian leadership as to what is going on in the Far East. A number of their leaders are men very acutely intelligent and observant and our policies will have to be made, it seems to me, in the Far East to some extent as well as in Washington. I, therefore,



strongly support what Mr. Lattimore was saying about the need to have men like Mr. Talbot, for instance, who are individual observers and bring back the news of what is actually going on under the smooth, official surface of public life.

Mr. TAYLOR. May I go ahead?

The CHAIRMAN. Yes.

Mr. TAYLOR. Mr. Chairman, I am speaking right next door to Mr. Talbot and he can correct me immediately if I am wrong, but I am under the impression that Mr. Nehru's attitude toward Communists is not like the one you refer to in the white paper—apparently he puts them in prison and breaks up conspiracies. Apparently he does not feel they are for sale, or they can be bought, or influenced by favor or torn from the loving arms of Russia. So I wonder how your two basic ideas fit together? Is that correct about Nehru's attitude?

Mr. TALBOT. Mr. Chairman, I take it this morning we are concentrating on the countries of southeast Asia and that India may come into a fuller discussion later, is that correct?

The CHAIRMAN. The point was raised, and I would be glad to have you answer Mr. Taylor's question.

Mr. TALBOT. I would be glad to make a comment on that. I think they would indeed be grateful for American advice on what to do about the internal Communist problem. On the external scene, the problem doesn't appear to them, it seems to me, in quite the same perspective. They have felt Russia is a large country and a close neighbor and they must somehow live with Russia to a degree. My impression is that many of them now feel that the new regime in China, more adequately reflects the social forces and other forces at work in China than the old regime has done, and that for that reason India must get along with that neighbor too, and adjustments must be made with that neighbor, and with that new regime. I would be very surprised to see the Indian Government pursue the same type of attitude toward the Chinese Communist regime that it does toward the local Indian Communists.

The CHAIRMAN. I wonder if I might pick up and see if we can be a little specific about a point which has been raised by a number of people. I think Mr. Fairbank brought it up first, and that is the question of the recruiting and introduction into the area of more American personnel, not in terms of augmenting the Foreign Service, but ways in which we can get more people out there. I gather from one point of emphasis with the idea of reporting from Mr. Fairbank's point of view, I think rather a broader activity was envisaged, and perhaps Mr. Fairbank could elaborate on that. But I do think that the Department would be very grateful for any practical suggestions, first, where will we find more Mr. Talbot's; second, how we get them to go to the area, and perhaps we could open a recruiting office here and see how many of those around the table would be glad to volunteer, and some flitting hikers who would scour the area for us.

I wonder if I may pick up and see if we can be a little specific.

Mr. FAIRBANK. Mr. Chairman, ever since I came back from China in 1936 and was told I was a far-eastern expert I have been afraid for the destiny of the Nation because I was in a state of considerable confusion and, just as I look around the table, perhaps judging others by myself. I don't feel that any of us here would claim that we have the "expertese" even though we may be the best that you could get together to guide the Nation and support the Department of State, which has its problems. Now, to contrast this problem of personnel very briefly, we have to seek personnel to conduct relations with revolutions, not relations with governments. The Foreign Service is for the purpose of relations with governments. We are dealing with revolutionary situation, as we have all said. That requires, I think, a new approach to the problem of personnel.

Very briefly, a man who is to deal with a revolution, to have ideas about our relations with it, must of course begin with the local language. That is very difficult to come by in southeast Asia. Further, he must know the local culture, really how the people live and think; he must, in other words, live and think with them as a Cominform agent would do. Third, he must know the local personalities so he can really look at the politics in operational terms, and he must know local conditions from contact. To do this, in my view, one must develop personnel who understand in detail the aspirations of the people who are trying to remake their countries, we call them revolutionary not in a bad or good sense, so that this country can get on the same beam, find a common beam with this native leadership that has been referred to.



I would say further that our objective there is to formulate an alternative to the Marxism which provides them with a world-view spiritual dynamic, or the like. The United States, it seems to me, is short on that side, say, of a country not in a revolutionary ferment. Our ideology is very rich and we are very much devoted to it but we do not have it as an export product, it seems to me, in an organized form for the present day. We have started a revolution in Asia but we are not now the guiding force in it from the outside.

To carry out this project of persons who can put the Asiatic revolution in terms that make sense both in terms of the Asiatic and to us; these personnel must have nonofficial status first of all, it seems to me. They must be in these regions not with the responsibilities of Government status, and, of course, they must have on-the-spot operational contact, be there not just as students wandering about, but doing something with the local people. Further, they must have freedom to think and develop their ideas in any way that the situation seems to call for. Perhaps in a very critical way toward our own Government, we need that, that is part of our strength that we seek that kind of freedom of thought and criticism to guide us. Continually if we want people in this kind of free contact in Asia it seems to me we must look to private agencies in this country and that we very practically could ask a number of specific private agencies what might be proposed as personnel programs; educational institutions, for example, can develop a very extensive contact, a youth organization, a YMCA, that sort of thing might be tried and possibly develop personnel programs. In general this need reflects the fact that in Europe we have a vast reservoir of personnel. Think of the hundreds if not thousands of young American personnel who have been in Europe this summer with intimate contact in their cultural background and people who are now available for programs that we may have there and compare that with Asia.

Mr. DECKER. Mr. Ambassador, I am sure everyone around this table knows a lot about the potentialities of the missionary movement in this respect. Certainly one would not claim for the missionary movement that it represents in every case people who are aware of the wider context and are thinking sufficiently intensively, exploring sufficiently deeply, sufficiently widely to be of much use. But nevertheless there do emerge from time to time a great many individuals who are located in these countries in very active and very intimate contact with the people there who know in great detail and in clear outline what they are thinking and whose contributions would be extremely valuable from time to time. I have only to refer to the distinguished Ambassador from China who is here to me like ——— in Nanking, to use names, George C. ———, who formerly served in Shanghai, and the names of many others, Walter Zimmerman, for instance, in Siam, the names of many others who would be sources of information.

Now it must be said that the missionary movement is very sensitive about being used as the cat's-paw of the American century or of American colonialism or imperialism, or what you will. It is there for its own moral and spiritual purposes and it cannot be expected to be untrue to its guiding principles. At the same time I do think that I know that these leaders are always ready to share what they see to be the truth with people who are seeking the truth, and I think that better ways could be devised whereby the Department of State could from time to time consult with some of these people and get the benefit of the truth as they see it. They will usually be fully ready to share it with you.

Mr. TAYLOR. I am sure that Mr. Fairbank would agree with an addition to his list of people who might be used, and that would be people from the labor unions of this country. The fact that one dislikes communism doesn't mean that one doesn't deal with it. They have done as good a job in dealing with it as anyone here, and understand it very well indeed. I would be very happy to live in a world which is three-quarters Communist if I could live peacefully with it. My basic feeling is that we have no choice in that matter, that the fight is on, and we have to carry it on. Therefore, I would strongly encourage the labor unions to send as many people over as they can. They have already taken the \* \* \*, as a matter of fact, in many countries of the world.

The second short comment, again on Mr. Fairbank's point, is that ideological one. That is extremely important for an additional reason that I would add to all of his, and that is this, that so much of the discussion, even discussion around this table, goes on in categories which do not belong to us, categories furnished us by other people. Imperialism, for example, what is your definition? Is it the Leninist definition which you could shoot holes into at any moment? Colonialism? These categories that we use we do need a cleaning up of our own ideology



and let it be our own, and if we use their terminology, for heaven's sake let us understand what they mean by it.

Mr. TALBOT. Having been put in an embarrassing position in the beginning, I would like to take the opportunity to make one or two comments on the experience of the Institute of Current World Affairs, which is the organization that sponsored various young men in studies of this kind. First, is the comment that Mr. Taylor made sotto voce a moment ago, that we not only have to have men who know something about the area but they have to make a living when they get home. But it has been the experience of this institute that it takes 5 to 6 years of fairly concentrated work in a given area before the first three qualifications Mr. Fairbank mentioned can begin to be absorbed. The tourist traffic to Europe is a fine thing because of our cultural connections. To Asia that same thing rarely holds. The problem is complicated and is extraordinarily difficult. For twenty-odd years this industry has been sending out such young Americans, giving them an opportunity to operate entirely independently. I would merely say in this connection that the thoughts coming around this table are the thoughts of that particular organization, and they are now making an effort to expand their very limited resources and trying to send more people than they have in the past.

Mr. HEROD. I would like to again, being a lowly businessman, merely refer to the fact that business generally pays these bills. Business is the one in addition to the missionary and the educational fellows that have permanent men out there and I should think with the American shipping companies, the American airlines, the American oil, the American import people, the American communications people, none of whom are represented at this table, who have the highest investments in China, the biggest permanent personnel in China, that it would be wise to include some of their viewpoints and give business some expression. I don't mean by any means that business should have the sole expression, but I think that you will find that some of the business people have some ideas that are worthwhile and that you cannot be completely oblivious to the fact that business is the one that is making the subscription to most of these other things to carry them on as well as the fact that we have some problems out there which many times we feel government pays no attention to.

I would like to register that for the record so that a little shift in the balance can be obtained and not be completely oblivious to the fact that the economic aspect is one thing in which business people are interested and we, as broad-minded people, are likewise interested in some of the other things but do not want to be entirely forgotten in this personnel.

I have a letter illustrating some of these problems of getting men. This letter is dated September 27 and is from a permanent resident of China. He says that visas were refused on the grounds that settlement had not been made with the workers and they have offered the workers 15 months' salary because there are no raw materials and of course they did not accept it. Settlement has not been made with the workers. The control would permit no closure, no dismissals, no salary cuts and gave no promise of any change in attitude in this connection. Negotiations with the workers have come to a standstill at present and there seems no possibility of getting the Chinese to take over the advantage and they will simply have to await developments. Life at Shanghai seems to be rather grim but there is no great danger of his personnel dealing with the labor crowd. In other words, families find life rather barren. The rest of the letter is detail.

You can't get men out when you get them in. You can't induce new men to go and you can't get them out. You can't with Government guarantees as to investments deal with particular men on the particular basis. These problems have to be considered as the things that are stifling investment, stifling trade and economy and they have to be given good, serious, thorough consideration with Government support.

The CHAIRMAN. I would just like to say as a footnote that despite your modesty we feel that with you here and with Mr. MacNaughton and Mr. Murphy and Mr. Rosinger we have admirable representation of the American business point of view but we are also disappointed that a number of others who were invited were unable to come. I just wanted to let you know that we weren't unmindful of the value that we could derive from all of you here and from others we had hoped also to come.

Mr. COLEGROVE. Mr. Ambassador, you have generalized by saying we need more Mr. Talbots, and I would like to add we also need more Mr. Cranes, who put up the money for this Institute of Current Affairs, and I might call your attention to the fact that Mr. Crane comes from Chicago, the capital of the isolationist belt of the United States. One fine feature of such organizations as the Institute



of World Affairs is the fact it is a private institution, not a Government institution. Young men who are sent out by governments are, of course, necessarily indoctrinated by the Government. Young men who are sent out by private institutions such as the World Institute of Current Affairs or the Rockefeller Foundation or the admirable work that was done by the American Council of Learned Societies is conducive to training a large number of experts who can take a detached and scholarly attitude toward the problems of the United States such as Mr. Talbot and other young men have done who have taken advantage of Mr. Crane's generosity. In this matter of promoting private enterprise, in educating young men, it may be simply a lost cause, but I would like to see the United States Government make a more generous exemption in income-tax allowances for funds which are given to such purpose. I suppose we could never persuade Congress to do that, but it would be a step in the right direction if we could do such a thing.

The CHAIRMAN. Mr. Coons.

Mr. COONS. Before I came, Mr. Jessup, I prepared a little comment here that I am going to take the liberty of speaking to. It is along the line of what Mr. Herod has said. It seems to me that either before the far-eastern policy of this Government which your committee is working on shall have been formulated or subsequent to its formulation and announcement there would be very real wisdom in drawing up a consultative committee of representatives of all American business interests that deal with Indonesia, southeast Asia, China, and Japan and seeing whether there may not be ways and means whereby we could utilize some of the resources of American business leadership to implement and to strengthen whatever foreign policy is developed. One of the objectives that we have not discussed here is the exploration of how we can build up the middle class, let's call it the petite bourgeois of the countries where we are dealing. We have been talking here pretty much in peasant terms, in terms of the agricultural characteristics of the Far East, but as industry and business grow there will necessarily come an increasingly middle-class group. On whose side will this group be? Those contacts that will be established will be with American business firms, American Government representatives, commercial representatives of other countries. We might ask American companies operating abroad to increase the number of native employees rather than to rest upon an ancient British principle of utilizing only the British-supported intellectual and of implementing the point 4 program by something like our World War II training-within-industry program, of setting up schemes of communication, of the techniques and requirements of management, sharing with native peoples more of these aspects of organization and of operation and some of the requisites of the economic operation in the modern world.

Now this, of course, is a long-term proposition but I think I see in it—maybe I am wrong—some opportunity to build up the strength of an economic group which may have ultimate political significance in certain countries. I throw it out for what value it may have.

The CHAIRMAN. Mr. Quigley.

Mr. QUIGLEY. We are developing, as you know, Mr. Chairman, in our universities the type of program known as area study and I think it won't be very long before we will have reached the point of saturation of the field with our students, graduates. I have wondered whether it would be possible for business firms to give more consideration to the employment of such men after they have completed their work or while they are, say, in the period between master's and doctor's degrees and maintain for them for a period of years partly in their employ, partly for the purpose of continuing their education. They would be in a sense cultural attachés of business concerns. I haven't lived in the Orient myself for a good while but when I was there the general impression that we had was that American young men in business in China didn't stay very long. They went out for the voyage, you might say, and to test the liquor and it was the Englishmen and the Dutchmen and Frenchmen who really stayed on. Indeed, when I was in Peking the chairman of our leading American bank in Peking was an Englishman, a very able man too. But it seems to me that if that situation still prevails there is an opportunity for associating graduates of these area study programs with business concerns.

Mr. ROCKEFELLER. I just wanted to make one comment on what Mr. Fairbank said. I am sympathetic to the idea of people going out as suggested, but I was a little concerned by the indication that he would go out as a specialist in the revolutionary contacts mentioned. He mentioned that they would not have contacts with government because government was already in contact



with our government. I just think there is real danger in going out on too limited a basis and coming back with a one-sided viewpoint.

Mr. FAIRBANK. Mr. Chairman, compression leads to distortion in my remarks. By "revolutionary" I meant they should look at society as a whole and have broad contacts and not be in Government jobs themselves so that I thoroughly agree with your viewpoint.

Mr. VINACKE. I would like, Mr. Chairman, to come back to your original query and deal specifically with one side of the problem, with people going out, for instance under Fulbright grants, that sort of thing. That takes you pretty much into the university field. It takes you also, I think, in the underdevelopment, of the futility of that type of problem, into the problem of administration as much as anything else. It seems to me that if you are going to get people that you want, students or members of faculties, or people in the general community, you have to find some way of administratively to gear their movement to their career program. That is to say, the tendency now is to have a person make application for a grant on certain assumptions with respect to which he is supposed to adjust his affairs.

None of those assumptions are ever realized, apparently, at the present time, at least in the far eastern side of the program, with the possible exception of Burma. So after a person has committed himself to his university for the next year, then he suddenly gets a notification that he is to go out within 48 hours and then he adjusts to the 48-hour schedule and then he finds that he can't get transportation, that nobody knows how he is to go and how long it is going to take him. Until the administrative side of a program of that sort is worked out, not fitted into the needs of the Department and civil-service procedures and so on, but into the American community from the standpoint of responsibilities of people, I don't think you can lick the problem. It is administrative there.

Mr. BUSS. Mr. Chairman, it seems to me that this thinking all proceeds from a premise that there is something to be gained on our part in combatting the position of the Communists or the revolutionists or whatever you wish to call them in this area. I think as far as our policy is concerned it is quite clear to me that we all feel that there is much to be gained in some sort of a program, in some sort of encouragement in young Americans to go on. I should like to go on from there. Assuming that more activity is in order on our part, I think it becomes very pertinent now, from the standpoint of what our policy should be, what is the nature of this enemy that we are contesting with which has already gained a hold in some of the revolutionary movements in this country?

If I may go back to things in these countries in southeast Asia, if I may go back to some things that Mr. Lattimore said a few minutes ago, Mr. Brodie commented on a little bit later, I assume it is a good thing for us to be thinking in terms of combating against these movements there, but I should like to know more about the nature of the hold on the leadership in these revolutionary movements in these areas already. I think it is in order to question the assumptions on which some of our observations are made. Specifically, if I may, I should like to ask Mr. Brodie the assumptions on which he made this statement, as nearly as I can recall: "We mustn't overlook the hold that the Cominform has on Longnin." My thought is that I want to go on into the nature of the control of these revolutionary movements and then try to think our policy should be to get a better hold as far as we are concerned.

Mr. BRODIE. I prefaced my remarks by saying I was in complete agreement with respect to southeast Asia. I should have added I don't know what hold the Cominform has on Longnin. It seems to me there has been made public a good deal of investigation of general activities of the Cominform. I have a colleague who has made an extremely intensive study of that, among other aspects of the activities of the Soviet elite, and I was citing what I presumed to be in the public domain concerning general information as of this date of how the Cominform operates concerning its local leadership; that is, it is one very largely of control and again the Tito episode which incidentally we must remember was precipitated by Moscow, not by Tito, indicates that a freedom is not one of the major commodities exported by Moscow to its local leaders.

Also, I think we can see from what has happened to leadership in various countries, that is Communist leadership in various countries, including our own, that Moscow has a good deal to say about who carries the banner for their movements. Again I say I defer to real experts in the field, which I am not. I hope some are present and will address themselves further on this particular point. But certainly I agree with your point that we have to know a good deal, not only about the areas concerned, but also about the character of the Moscow operations which are expressed in these areas. It does no good to send the



person out to Indonesia, let's say, and to learn all about the Indonesian culture, and so forth, without knowing something about how communism operates with its local revolutionaries in the local area.

Mr. REISCHAUER. The discussion so far this morning has emphasized the intelligence aspect of the problem. That is absolutely essential to a good defense, there is no doubt about that. As Mr. Fairbank brought up the problem yesterday, though he emphasized, let's say, the offensive a little bit more, the ideological concept there, which is an entirely different thing but closely related to the whole problem, and Mr. Taylor touched on it briefly. I might start with reference to Japan where the point is probably particularly clear. We have carried out in reality, or at least attempted to carry out, a sweeping social revolution in Japan. We have done things more revolutionary than anything the Communists have tried in Asia. At the same time we have not presented an ideology to go along with the practical measures we have taken there. As a result the Japanese people often grasp for an ideology and while going through our type of transformation are grasping at the Communist ideology, which really doesn't fit with the thing. They are asking for an ideology. We have in many ways failed to give it to them. There is a crying need for people to give our ideology. We aren't in the habit of giving it. We haven't been thinking in those terms for a long time. We have the ideology but we aren't presenting it to other people. The same thing applies throughout Asia, perhaps not as keenly as in Japan where you do have a largely literate populace, and possibly people that are inclined a little bit more, that is, comparable to our European theoretical approach than you find in the Far East. Still I think the thing does apply there. They are obviously grasping for ideologies in lack of any other expressed ideology. They grasp at communism when we have something I think that would really appeal very much more to them, as long as they are reaching for the stars they might reach for the real stars that we represent.

Mr. PEPPER. If we have got back to the general question as we appear to, and you raise the question of personnel understanding the kind of people Ho Chi Minh is, and so forth, could you not start with a base point of reference as to what they are? Couldn't you agree on the basis of Asiatic history in the last generation—that if there had never been a Cominform, if there had never been a Lenin, if there had never been a Stalin, if Nicholas II were still in St. Petersburg there would still be a Ho Chi Minh, a sub carno amal do ding or three fellows with different names doing exactly the same thing. Do you have to know those people? You don't. The fact is that these movements would all have come about as they have come about because we let it go by default. They have got a kind of, more than a kind, they have no doubt got a Russian inflection by default, since there would have existed anyway that Russian inflection it is not necessarily fatalistically permanent, but you will never understand those people and what they stand for if you think of them only in terms of Cominform. They are what they are by Asiatic birth, and nothing could have changed them. If there had never been a Russia they would have had perhaps other ideologies and would have been just as disagreeable to us of the Western World. I mean by "disagreeable" they would have caused us just as much embarrassment. I don't think that you need to send people out for 5 or 10 or 20 years to worry about Ho Chi Minh and the Cominform. You had better just worry about Ho Chi Minh and Asia.

Mr. STALEY. I would like to suggest, in connection with the problem of personnel, some of the opportunities offered by the point 4 type of program, if it can be vigorously implemented in this area. Parenthetically, I think we should recognize, first of all, that the point 4 type of program has considerable potentialities in helping to make social change in the area evolutionary and constructive rather than explosive and revolutionary in the narrow sense. In other words, it is a strategy of attempting to help lead the revolution this time in the broad sense. We all recognize what is underway there. But on the point of the relation of the point 4 type of program to the problem of personnel I think there are certain things that are pretty important that can be said. As part of that kind of effort, presumably a good many technical people of various types will be going out, sent by private business, private investors, sent by the United States Government, or they may be Americans sent by international agencies, the Food and Agricultural Organization, and the International Bank, and so on, for various purposes, temporary or long term, and I assume they will be men of many different types, like engineers skilled in highway design and construction or public-health people, or agricultural people like veterinarians, or educational people who might be asked to help set up technical training institutes or mass education developments.



Now in working through these people to help the leadership of Asia we can at the same time derive very great political values for the United States. We can give certain ideas through these people informally, just through their presence and contacts there, and we can also gather ideas and impressions, which is the thing we have been talking about more specifically here the last half-hour or so, but to be effective in these two aspects of the personnel contacts that the point 4 people could develop it seems to me that we need to be careful on certain points to take pretty careful thought. One is on the question of selection of the people who go out. I recall vividly a conversation I had out in China in 1944 with a man who was at that time out for the Lend-Lease Administration and was helping the Chinese to try to keep trucks running. He had originally gone to China with a contingent of men sent to help speed up truck traffic on the Burma Road, and he told me that he had been a truck maintenance supervisor or foreman, I believe, with the Standard Oil Co. of New Jersey. He said he was recruited to go out there and help on the Burma Road truck problem, and he said when he got on board ship and came in contact with a group of men that were to go along with him he almost turned around to go back. He said if he hadn't said "goodby" to everybody, and made all his commitments he almost would have quit right then because he said most of the men had no idea of what they were getting into, and were taking it kind of as a big lark, and they were mainly interested—they were mostly drunk before the ship sailed and when they got out in India, and then over into China the majority of them actually had to be sent back to avoid making very bad relations with the local people. The selection hadn't been thought through at all in terms of contacts with the local people, and his point that he was making very strongly to me was that if UNRRA was going to send any people out in that area they ought to think further ahead about the recruitment and the type of person and get people who could fit in. That is on selection. I imagine the people who would have anything to do with the point 4 program are pretty well aware of this now with the experience we have had.

Then, secondly, I would like to raise the question of what could be done through training, not in the specialist himself, of the people who go out as technical experts. I don't mean train a man to be a better highway engineer. Presumably, you would select a man who has good skills in public health or whatever it is. But don't we need to think of some additional training for these specialists to fit them for this kind of work? Specially, it seems to me there are these three things which brief courses—I am thinking in terms of a few weeks, probably all you could get for this sort of thing—some of these things might be hit in preembarkation briefing courses. One, would be, of course, background on the area that they are going to. At least enough to arouse their sympathetic interest in the culture and make them notice other things than just the absence of bathtubs and that kind of thing. Really put them in a better position so they can learn when they do get there and give them a little before they start in culture, economics, and some of the area, perhaps how to go about learning a language. Secondly, if they are going out on the point 4 type of program I think they would benefit from a briefing on the inner relations of the various specialists to economic development in that particular area, so that the highway construction man and the public health man, and the veterinarian, all have some elementary knowledge of economic development—oh, for instance, things like the population problem, or the problem of accumulation of local capital and things of that kind.

And, thirdly and finally, it would seem quite appropriate to arrange some sort of a briefing for them on political matters. That is, the kind of attitudes they will find toward the United States as they get to talking with people, the kind of attitudes they will find toward Russia, what the Russian propaganda has been in the area, and perhaps give them some actual texts of documents and so on, and what the United States policy has been in the area, not that we try to urge them to go and follow a kind of party line for us. At least so they will be informed so that in a cafe one day if it is thrown up to them that the United States has consistently tried to dominate the country and a lot of misinformation is involved in it at least they know some of the elementary answers to it.

I throw that out as the type of suggestion that would seem to be fairly practical, at least on the margin of what we were talking about.

Mr. VINACKE. Mr. Chairman, I don't know whether I should interrupt the development along this line or not. I wanted to come back to Mr. Pepper's remark, and if it will interrupt consecutive development of the discussion I would not want to do that, so I would not go on.

The CHAIRMAN. Do you want to speak specifically on the personnel training, and so forth?



Mr. COLEGROVE. No; I want to make some comments on Mr. Reischauer's comments and Mr. Brodie's comments.

The CHAIRMAN. You had better keep your chair.

Mr. VINACKE. Since we are going to move away from the Stalin line I don't think what I say would be too disruptive of the general line of our development. But one thing, it seems to me, that has been introduced by Mr. Pepper was the question of historical perspective. But there is one side of the historical picture, it seems to me, he completely left out—possibly because it isn't history, it is the present—in relation to these national movements. It seems to me that we have lost sight of the fact that there has been a war, and that during the course of that war these countries were under Japanese occupation, and that as a result of the conditions at the end of the war a nationalism in southeastern Asia that hadn't gone very far in the maturing of its leadership, in the establishment of a mass basis for revolution was put in a position to temporarily assert itself, rather than the present assertions of nationalism in Indonesia, which I think have a rather moving revelation of the experience of a revolutionist in the book *Out of Exile* by an Indonesian leader.

All of these things indicate to me that we are possibly on a long-run basis exaggerating the extent to which there has been developed and disseminated throughout these countries a nationalist expression that is purely loyal and that assumed power because of its local rootings rather than because of the situation created, partly deliberately, it seems to me, by Japan; partly inadvertently in the course of the war, and that, it seems to me, ought to be kept in mind when we proceed on the assumption, on the historical assumption that here you have a constant accelerated interference of its own forces, the development in these countries. I think it has been something that has been created in part as a result of a war situation.

Mr. COLEGROVE. Mr. Ambassador, I think the remarks that Mr. Reischauer made in reference to Mr. Brodie bring out the fact that there are two procedures reference to this great problem of totalitarianism in the world, and ideology. One was an attack upon communism as an ideology, the other is a promotion of democracy as an ideology. Mr. Reischauer referred to Japan where, it seems to me, promotion of democracy as an ideology has been very well carried out. Let me call attention to just one book. It is a textbook which was written by a Japanese for Japanese schools called *Premier on Democracy*. It was written at the suggestion and part supervision of the headquarters of SCAP in Tokyo, but it was written by Japanese scholars for Japanese students in the public schools. This edition of the *Premier on Democracy* has now been printed and it numbers about 3,000,000, and it later will be expanded for upper forms and contracted for lower forms to go all through the Japanese schools.

Now I think one test of the excellence of this textbook, this *Premier on Democracy*, is the violent, vehement, and distorted attack which the Communist Party in Japan has made upon this textbook. The very fact that they have singled it out for such rabid assaults indicates that the Communists themselves, who are very skillful in promoting ideology, see the excellence of that type of textbook.

The CHAIRMAN. Mr. Brodie.

Mr. BRODIE. Mr. Chairman, I was going to address myself to the remarks of Mr. Pepper primarily, and part of what I wanted to say has been covered in a very different way from what I would have, but a much superior one, by Mr. Vinacke. I would like to add two brief points: One, I am reminded of what Mr. Taylor said yesterday when the point was made that we are after all dealing with very deep-seated social and political movements in the Far East; his reply was, "To be sure, but also we are dealing with very specific movements, which are only one of numerous conceivable realizations of those aspirations."

Secondly, and related to this, I think we have to realize that we are in an age when revolution, or at least one kind of revolution is a reactionary, and it seems to me we have to distinguish very carefully, again for our own interests as well as those of the people involved, between revolutions which are reactionary—and I would say a revolution which aims at imposing dictatorship is reactionary—and those which are truly liberal.

The CHAIRMAN. Mr. Murphy.

Mr. MURPHY. I wanted to make a brief remark with reference to Mr. Brodie's question of the degree of control by the Cominform of these revolutionary leaders in the various countries. We were talking about Ho Chi Minh. Mr. Lattimore gave something of his background—many years of French socialism, and a short period of Moscow indoctrinationism. During the war I was in China in the Army. We were engaged only in fighting the Japanese. We had certain people down with Ho Chi Minh who spent at least 2 years in contact with him, and at



least one of these people had 6 months of constant association with him in the jungle, a few miles from the Japanese all the while, and for what it was worth, and granted that we are not naive enough to believe that Ho Chi Minh couldn't have had private thoughts, nevertheless 6 months in the jungle is a long and arduous period, and my friends who were with him have continuously ever since maintained that he was at least 90 percent patriot; that they didn't believe his ties with Russia were the predominant motivation in his life.

The CHAIRMAN. Mr. Rosinger.

Mr. ROSINGER. I would like to speak briefly on a question of ideology. We have had some discussion this morning of the importance of having more Americans familiar or become familiar with Asia and there is certainly no question of that. We have had some discussion of the importance of how the United States speaks to Asia, and I think that subject is also significant, but I would like to suggest that our ideology in Asia is basically the sum total of our actions in Asia, and the generalization is that the people of the various Asian countries form about us, our way of operating, our way of thinking and doing things, on the basis of these actions; that is, that any emphasis on words alone is misleading and deceiving to ourselves unless, let us say, in Indonesia, Indonesian nationalists feel that American policy is really promoting Indonesian independence, if that happens to be the kind of appeal we wish to make. In other words, that we have to think primarily on the action level, primarily on the level of what policy actually does. I don't believe for a moment, for example, that it would be possible to sell to the bulk of the Chinese people, or the bulk of Chinese intellectuals, or the Chinese middle class hostility toward the United States just on the basis of words. There must have been something in their own experiences they saw which made them receptive to that kind of approach, and, therefore, it is to the actions and not to the question of words, even though words can be persuasive for a time, that we must primarily address ourselves.

I would like to mention one concrete question which I had hoped to bring up before in connection with Miss DuBois' presentation. There has been an item in the press in the past few days to the effect that gold from Japan is going to be transferred to France in the name of Indochina in connection, I believe, with reparations arrangements. I don't know whether that gold is to be used in Indochina by the French or whether it is to be used in France. That would be a significant question. From the news reports, which were brief, it is to be assigned to the Bank of Indochina in some form. I would suggest that nothing we can say to the gretnemas is one-hundredth as important as the concrete question of whether a certain number of millions of dollars of gold is going to be used in Indochina for French purposes, and then without considering the further question of the particular use that is made of that gold.

In other words, I don't think, to sum up, that we can consider this simply on a verbal level. I defer to Mr. Reischauer on the question of Japan, and I would certainly agree that Japan is certainly more ideologically conscious than China or the areas of south Asia. But taking China, taking the areas of south Asia, and taking even Japan in the sense, I believe, that the Japanese people are considered highly practical as well as theoretical, I think actions come first. If the actions appeal then you have a marvelous talking point. They can be played up in extremely persuasive ways. But they are basic.

The CHAIRMAN. I have got two people who have asked to speak. I would suggest that while we are in a most interesting discussion of what is a vital problem, our time is somewhat limited, and if you agree after we have had these two speakers I am going to suggest we talk about one other topic for a few minutes before we break up for lunch.

Mr. REISCHAUER. I would certainly agree with Mr. Rosinger about the importance of deeds. There is no doubt about that, and it is hard to carry out a word propaganda without the deeds to go with them. However, no one can say that the Russian actions toward China have strengthened their ideological cause, and yet the ideological cause has gone ahead in spite of the robbing of Manchuria and the Dairen business and all that. There are two levels and they can't get too far out of step with each other without serious danger. Mr. Colegrove referred to the excellent Primer of Democracy. At the working level in lower education we have done very good work. It is hardly ideological, it is more practical. You have to have textbooks in the school; therefore, we went about doing it. At the same time in the university level, and that represents a generation which will be effective a little bit sooner than the generation in primary school, that is at the purely ideological level. We have the



Japanese university schools and the recent graduates from higher schools and another all crying for ideologies and we have not answered that on the crass sort of Communist argument that is going to the Japanese intellectual, economic, and political theory of the Communist sort which is presented as the latest in western science. Well, almost any American intellectual could argue against that very effectively. All we have been doing is frowning though we have not argued on that level, even though the arguments are all on our side. I think that is a better comparison with the situation in western Asia than the school book problem is. We are in a position, though, to send people over there. I think the audience would be extremely receptive. If you think back a decade or two at the time when John Dewey and people like that went over, a program like that expanded, I am sure, would have great effect. Of course, a reverse program of bringing Asiatic students here is the same thing done a different way.

Mr. LATTIMORE. Mr. Ambassador, the discussion at this point seems to make it desirable to bring in another aspect of the personnel question which hasn't been touched on yet. Yesterday, Mr. Holcombe, discussing his experiences in China previous to acute revolutionary phase nearly a quarter of a century ago, mentioned that almost all of his previous students in America went along with the revolution, but went along with the right wing of the revolution. There were only a couple, one of whom went with the Communists, and one who was rather sympathetic to the Communists, but didn't go over.

In that connection, we have had a profound change which I think we should think about on the policy level and on the operations level. From 1945 until 1949 one of the principal products of Ambassador Stuart's American University in Peiping has been youngsters who after graduating, or sometimes even before graduating from an American western, not entirely American but over-all western type of education, were crossing the lines to do their postgraduate work on the Communist side. We have, obviously, got a very tangled problem of the total impact of deeds and also the total impact of ideas. It isn't entirely what people do; it isn't entirely the persuasiveness of words. Somebody else said yesterday we put \$2,000,000,000 into China and the Russians took \$2,000,000,000 out of Manchuria, and still the tide is running in the Russian favor. But it is something to be looked into. It is our aspect of the same problem as the bright intellectual products of the colonial countries of Europe turn away from Western Europe and turn toward Marxism.

Quite recently I was talking to a young man, this time from a Near East country, who has been in this country for a good many years and has received highly skilled technical training of a very practical kind that would be useful for a "point 4" type of program in his country. He said that he was going back to his country and he was going to work very hard for the program of cooperation with America on American lines, but he said: "I know my chief difficulty." He said: "My country happens to have a Cominform frontier with Russia, and too much of the American approach is in the form of telling my people how much better America is and how much better it is to work with America." He said: "My people don't know America. I know America, and I am sold on it, but America is just not America; it is just not in the horizon of my people, and those who come back over the border all rub in the fact that things are better on the Russian side of the border." He said: "I know that the comparison between the Russian standard and the American standard is completely laughable, but in my country that isn't the point—in my country not that Russia is so much behind America but that Russia is so much ahead of them." He said: "I am going to work for the American program, but I am very lucky because I was foresighted enough to marry an American wife, and if the thing goes flop I can go back on her passport. But I know a number of people who are members of my own influential plan, and if the American program is a flop they are going with the pro-Russian movement." That is some of the reality of the kind of thing we are up against.

The CHAIRMAN. I do want to raise another topic, as I suggested, but I would like to ask Ambassador Stuart if he wants to comment on this point of view Mr. Lattimore has just raised.

Mr. STUART. My impression is that the students that went from that university were primarily disappointed in the failure of the commandant to carry out the social reforms that were part of its program. It was not American or Russian as such. It was Russian against commandant failures that was the primary factor in going over. Once they got there, they were indoctrinated. That is another matter.



The CHAIRMAN. We have just about 15 minutes before we recess for lunch. There is one point which has been raised several times earlier this morning and is an issue on which we would very much like your views, and that has to do with this question of any kind of association of the southeast Asian states or of the states of the Pacific or the whole area. The thesis which is constantly presented is this: that, if the United States should seek to stimulate any such organization or grouping that would be self-defeating, we would then not have a useful grouping of states and it would be merely thought that the United States was trying to line up a group of allies that would not in the long run be useful either to the people in the area or to the United States. The corollary to that is that any such movement should be an indigenous movement. The question is as to whether there is really in the area the seeds of a consciousness of a regional solidarity and a mutuality of interests there.

Secondly, in terms of the interests of people and in the interests of the United States, is there a definite advantage in their coming closer together in some kind of pact or union or association of whatever character? We could have some more expressions of views on that general problem that would be extremely helpful.

Mr. KIZER. Mr. Chairman, why limit it to southeast Asia? Why does it not include south Asia as well?

The CHAIRMAN. I tried to suggest that one of the plans which has been discussed is a southeast Asian union; another is a Pacific pact, and there are various variations of that. I would like to open the whole thing as to what is the area that might be dealt with.

Mr. COLEGROVE. Mr. Chairman, may I ask you with reference to the Pacific pact and its connection with the southeast Asian pact, is it not true that the Philippine Government as well as the Government of South Korea, which are independent governments, actually expect the United States to promote a Pacific pact and whether they would not be greatly disappointed if we do not promote that pact? What are the facts on that point?

The CHAIRMAN. Well, the situation on that is that there are undoubtedly a number who look for some kind of Pacific pact comparable to the Atlantic Pact, which would be a pact of military guaranties and everything of that kind. The Secretary of State made a statement, I think it was in May, indicating that we did not contemplate entering into any such pact at this time. That is still the position which we have taken. I think that is fully understood in the Philippine circles, at least, and I think also in Korean circles. We still have an interest in it there, and I think some interest in it in Australia and New Zealand as a long-term proposition. But, as you know, after the original Quirino-Chiang talks the Philippine Government did publish the instructions which they gave to Ambassador Romulo, which suggested a less detailed military pact for the Pacific and a more general cultural economic political association.

Mr. COLEGROVE. My impression seems to be that our allies, so-called allies, in the Pacific will—and this will have repercussions upon Japan, too—feel that we have let them down; that we are practically abandoning them if we do not look favorably upon a pact of this sort. We would rather have a strong pact.

Mr. HEROD. Mr. Ambassador, on the basis of just a few little personal observations, having been through that area last year in a matter of several months, I met a good many of these people in connection with our interests in those areas, and I would be inclined to say that the leadership seems to me to have an increasing cognizance of the mutuality of interests, but as you drop from the leadership down to the masses I would say it is noticeable how the consciousness decreases and that the masses as a whole have very, very little recognition or aspirations toward regional direction.

Mr. KIZER. I suggest, Mr. Chairman, that if we are to have the regional pact in that area it should be on a rather broad basis rather than on a narrow one; that Australia and New Zealand, which have within my personal experience a keen interest in Asia, should be included in it along with India, Pakistan, and the southeastern countries. I suggest further that it should sheer away as much as possible from any military assistance and be placed squarely upon a study of their economic situation as to what they can do to help each other and what in turn we can do to help them. If we follow out pretty much the Marshall plan in that respect and keep away from the military aspects of the Atlantic Union, I think we will go much further and tend to rob that sort of association of its unpleasant Yankee imperialistic aspects. In that field we must look for leadership. I am not sure that we have yet found the leader, although I have suggested earlier that India at least for the time might be that leader. But I think Australia has a very keen interest in that area and would



help very greatly. Our experience with the Australians that came into China with UNRRA was that they were some of the best people we had, and they came because of the extreme interest of the Australian people in the Far East. I know they are eager to work in that context. With that sort of broad union, looking to a solution of the economic problems which press so greatly, particularly the food problems, I think we might give encouragement. I feel there has been such a complete bankruptcy of military assistance in that area that to the greatest degree we should sheer away from that.

The CHAIRMAN. Mr. Holcombe, would you be willing to comment on this?

Mr. HOLCOMBE. It seems to me that a regional pact derives much of its value from the relations between its members, and that for the best results those relationships should be the relationships that can be established among members who are not too unequal in strength and political experience, and applying that test—that is not the only one to apply—but applying that test there are very great differences between the conditions under which the Atlantic Pact was negotiated and the conditions under which any Pacific pact might be negotiated. It seems to me that we would run the risk of being misunderstood if we should attempt to negotiate a Pacific pact without explaining very carefully that we had something quite else in mind than we had when we negotiated the Atlantic Pact. I think Mr. Kiser has stressed some very important factors in the problem which make it a different one, and obviously that is only the beginning of an analysis of the situation, but my own view is that the Department has been well advised in going slowly in that direction.

Mr. BUSS. Day before yesterday a Philippine official in the Embassy said: "No Filipino could possibly oppose the fact we have nothing to lose by it, and if it is a means of getting us closer to the United States anybody would be for it."

I would suggest on a pact that there are two regional groupings, at least, which would have to be taken into consideration if you are going to negotiate for a Pacific pact. I am thinking of the southeast pact which stems from the original Australian-New Zealand agreement. You can't ignore the existence of the Asian Congresses. I think the two meetings they have had show those groupings must be had in mind. A caution which would also be in order would be the very precarious nature at this point of all three proponents who have been identified with the Pacific pact to this point. Either Quirino in the Philippines or ——— in Thailand or Chiang in China would be very wobbly props for a Pacific-pact policy.

Mr. DECKER. Mr. Chairman, would not a major obstacle be the very disturbed condition, to put it mildly, of that whole peninsula of Burma, Siam—I don't agree that Siam is a stable situation by any means—Indochina and Indonesia? It would seem to me until there has been some clarification in that area, some stabilization, that anything approaching a political pact might very well leave us holding the bag for a reactionary regime or a regime which would be shortly repudiated by the people themselves. It isn't clear yet what the people of Indochina want or what they are going to get, nor is it true of Burma nor Indonesia. Until those factors are clear, it doesn't seem to me we have a sound political basis for this kind of move. Some loose cultural association might be in order, some association of certain types of mutual assistance, but certainly not something that would tie us down to governments now existing in a number of these countries.

Mr. FAIRBANK. Along that line of thought shouldn't we consider that perhaps in China by aiding a regime which faced a revolution we contributed to its downfall because we let it rely upon our aid instead of meeting its problem of revolution? Don't we face the difficulty that if we do support a regime in any country which is going through rapid changes, unless our support is in a very wide and proportionate manner in all aspects of the society, not just in politics, we run the danger of supporting it as an alternative to its solution of its problems and it begins to rely upon us instead of coming to terms with its revolution. So that we can be the kiss of death in a purely political arrangement. Consequently, our political arrangement must be part of a much broader approach on economic lines too.

The CHAIRMAN. Would that lead you to say if there were a continuance of movement in the area for some such grouping that it would be better for the United States not to be part of the group, to perhaps encourage them to go ahead, but to keep out?

Mr. FAIRBANK. I should think it would be excellent for us to keep out as far as we possibly can; that is, keep our political connections minima so we maintain maximum flexibility regarding any particular regime which we begin to support when it looks excellent, if we support it too strongly, may become reactionary in



the sense of not keeping up with its own situation. We can't afford to tie ourselves, it seems to me, to political regimes beyond the minimal point to get the result you want.

Mr. PEPPER. Don't you first have to ask this question, Mr. Ambassador: Would there be any chance of such an alliance? I am impressed by what Mr. Herod found by his own observation, the lack of any mutuality. Is there any mutuality there except one: a fear of communism and reliance on America? Americans may give the kiss of death, but can there be any birth without America? If that is true, is there anything genuine, aside from Mr. Buss's point, if we let it go? Under certain auspices we kill it right away. You ask yourself, Would there be such a pact without our encouragement and support? If there would not be, I should say that would fairly well define it as unnatural and not very likely to survive; in which case, we are associated with something that is going down. I think we ought to give up. If it goes on its own momentum, if it grows out of its Asian Congress, well and good; but, otherwise, no. We ought to keep out until it is started under its own genius and power.

Mr. MURPHY. I would agree with Dr. Pepper and also with Mr. Decker that the political times are not propitious for either a Pacific pact or for a Southeast Asian group. I think it is quite clear that Australia, primarily, and New Zealand behind her have been very, very anxious for a Pacific pact. They had a very narrow squeak during the war when the Japanese practically came into Australia, and they don't want that to happen again. Obviously the Australians would be the first to oppose an association such as what is proposed by Chiang Kai-shek recently. I don't think such an arrangement between Australia and New Zealand and the three who were recently promoting a pact would be feasible. In Southeast Asia most of the countries are in a great state of flux and I don't believe would be stable enough to support such a pact.

The CHAIRMAN. Any other comment on this before we recess for lunch?

Mr. TALBOT. Only one: that the history of the entire people's relations since that Congress in New Delhi in 1947 has suggested that there is no effective basis for strong political operation with various countries, but at the same time the leaderships are groping toward some sort of mutuality, but in groping they have a very strong psychological feeling that this is their own groping. The greatest point of pride in New Delhi in 1947 was the fact "We are doing it now." Asians have previously met under the aegis of European countries and what have you, but this is the first time in 200 years they have come together. It seems to me the flowering of that spirit has to precede any effective grouping of these countries.

Mr. COONS. May I conclude that this discussion with reference to regional association is almost entirely at the political level and that we really haven't discussed the question of the economic side, that there is conceivably much to be said on the aspect of a regional economic approach, somewhat after the manner of what we were talking yesterday in reply to Mr. Stassen's discussion.

The CHAIRMAN. We might come back to that after lunch. Mr. Brown, I think, can give us a little background on that. We can get off into that economic side. We meet again at 2 o'clock here.

We stand adjourned then until 2 o'clock.

(The meeting adjourned at 12:15 p. m.)

#### AFTERNOON SESSION

The CHAIRMAN (Mr. Jessup). May I make one announcement. We were discussing with some members of the group just as we broke up this morning their own travel plans and the question of a termination of these sessions. As you know, we had left in abeyance the question whether you wanted to continue Saturday afternoon or terminate tomorrow morning. Since the decision needs to be made for some persons, at least, we decided that probably the best thing to do would be to have a long session tomorrow morning, running through to, say, 1:30, which would enable any of you who need to get away in the afternoon to get away, rather than terminating at 12 and then coming back for an afternoon session. So if that is agreeable we will start at 9 tomorrow and take maybe a 15-minute break in the middle of the morning and continue through till 1:30 and have that the termination of the meeting. I am sorry to say I have to leave before our meeting is over this afternoon; I have got to go to a meeting in New York and I will be back tomorrow morning. Before we start on Mr. Brown's presentation on economic problems, Mr. Ballantine has a footnote on our morning proceedings.

Mr. BALLANTINE. Having a bearing on what Dr. Reischauer said this morning, it happened that Horinouchi, a former Ambassador to the United States, who



was lunching with us today at Brookings, and right out of a clear sky Ambassador Horinouchi said, "I wish you would send some professors to Japan so as to help our young men in developing a democratic ideology, especially in the university, because that is what they lack more than anything else." So this bears out Mr. Reischauer's standing as a prophet.

Mr. S. C. BROWN. Mr. Ambassador, I was under the impression that my remarks were to be confined principally to the province of the Chinese Communists—economic problems—but I understand you would also like a few words said about this general southeast Asian question. I am not prepared on that, of course, so I am afraid that many of your questions I won't be able to answer. But I would like to say that this concept of a Marshall-aid program for Asia is not altogether new to the Department; it has come up indirectly, you might say, in meetings of the Economic Commission for Asia and the Far East. That United Nations body has concerned itself very largely with the industrial needs of Asia, and something like a year ago they appointed a committee which summarized the reconstruction and development programs of Asia and the Far East, based altogether on local and national programs, and they came up with a figure, I think it was \$13 billion, as being the requirements in terms of United States dollars. Now, of that, \$6 billion was required in foreign exchange, and it was perfectly obvious that they expected that \$6 billion to come from the United States. It also appeared that these respective national programs had not been drawn up with much regard for realism. They were expressions of hope rather than any blueprints for something useful. We have constantly in this Economic Commission for Asia and the Far East had to face just that problem of these countries—you might say in a sense trying to put us on the spot. They drew their requests for the industrial items they needed to the industrial powers—the western industrial powers, they say—but it is quite evident that by "western powers" they mean the United States. Well, that is one aspect of it—I mean their idea of the magnitude of their needs and where they expect to get them from.

Now the other thing which has appeared to us in our consideration of the matter is this: That, as Dr. DuBois said this morning, the economics of those areas are not interdependent in the same way that the economies of Europe are, for instance, and you would not in all probability get in those areas through the expenditure of aid funds on a large scale the accumulative and multiplying effect that you get by expenditure of similar funds in Europe. The third point, which I think has been overlooked in discussion of this problem here previously, is the effect internally in each of the economies of the expenditure of large sums in a program of that kind, because when you are putting something like, say \$6 billion of foreign exchange in goods into an economy it does require a very large expenditure concurrently of local funds. In other words, you are creating an inflationary situation which might have very serious effects. Now, finally, the fourth point which has appeared in our consideration of the matter is this: That even assuming that you might be able effectively to industrialize, say, India and southeast Asia and those regions, you cannot be by any means certain that you will actually make them any better off, because of the population problem. I am sure by the time your process of industrialization is completed your population may well have caught up with it or even gone beyond it. Now those are major considerations in our thinking about this problem.

There is another aspect, and that is this: A tendency which has appeared in this ECAFE body to regard the region too much in regional terms. We feel there may be a tendency for them to think of themselves as a more or less closed economic unit, and we, on the other hand, are very much interested in integrating that region into the world trade picture. I am sure it is quite apparent to all of you that in prewar days, by and large, the trade of the United States, particularly with southeast Asia, was the balancing factor in our trade with Europe. Now if southeast Asia is to become more or less a self-contained unit, that is likely, certainly, to have effects elsewhere which would not be altogether desirable. Now, for these reasons, among others, we have been inclined, I think, to go slow in that concept of an over-all program of the Marshall type in that part of the world. The reasons may not be conclusive. I don't know. But I just wanted to indicate that we have given that type of thing some consideration.

Now I think that will conclude about all I have to say on the question of economic aid to southeast Asia, and I should like to devote the rest of my briefing to the question of China. In discussing that I shall try to avoid detail and merely to get at the heart of the economic problems of the Chinese Communists as they appear to us. Now the basic fact about the Chinese economy is the fact which, I think, has been implicit in all the discussions at this table, and that is



China's poverty. From 1910 to 1937 China had an annual deficit—an average annual deficit—on merchandise balance of trade of 135 million. In normal times that was, of course, made up by remittances from emigrants abroad, by expenditures in the country, by foreign missions and diplomatic, consular, and military establishments and things of that kind. Moreover, it is not only the general trade deficit that is important but it is the particular commodities in which these deficits occur. For instance, in the 5 years from 1933 to 1937 China averaged annual imports of over half a million tons of wheat, or nearly 900,000 tons of rice. In other words, it is a deficit economy over the years in foodstuffs as well as in other things.

Now another point to keep in mind is that China's exports as of now are in a relatively weak position in the world market. There is nothing that China supplies to the world for which there are not alternative suppliers or adequate substitutes, and I think that was made quite clear by the experience during the last war, when we got practically nothing out of China. Now I have spoken about China being a deficit economy even in the sense of foodstuffs. That is perfectly true. But we shouldn't forget that during the war also China got along without imports of food from the rest of the world. In other words, by taking a lower standard of living they can survive. Now that is a situation that the Commies are taking over. They are taking over responsibility for that kind of economy. Now their program, avowedly, is a program of industrialization. They say they intend to raise China from an agricultural to an industrial state rapidly. Some of the more hopeful of the party leaders speak of 10 to 15 years; others speak of longer periods. Now their policies with that end in view are very interesting. They have not attempted to socialize or communize the whole economy. What they are doing is to introduce what might be called a mixed economy. They have taken over all the enterprises which were formerly in the hands of the National Government, and that covered a good sector of the economy. They are also confiscating what they call bureaucratic capital, which accounts for another substantial part of the economy. But they say that they intend to protect and encourage private enterprise at the same time, and their reason is very logical because they say production comes first. That is the emphasis of their whole program.

Mr. STALEY. Would you explain at that point what they mean by "bureaucratic capital"?

Mr. BROWN. It has never been carefully defined, but it appears to mean the enterprises owned by the Chiangs, the Kungs, the Sungs, and the Chens. They speak of the four bureaucratic families, and I presume there are some fringes around that too which they include. In that connection, they have said that they intend to respect the private ownership of shares in enterprises which are jointly operated by government and private capital. Now whether they are doing that I am not in a position to say. As I have said, they say that they intend to encourage and promote both private enterprise and state enterprise with the intention of maximizing production. In fact, what they have done up to now has hardly been encouraging to private enterprise. That may be because of circumstances which they couldn't change, I don't know, but there has been heavy taxation and, of course, there has been a stagnation of business due to the practical cessation of foreign trade and to the blockade. There have been labor difficulties affecting both foreign and Chinese firms. The Communist propaganda, of course, led labor to believe that it would definitely have the upper hand and there are indications that even the Communists themselves may be somewhat disturbed at some of the excesses.

But in any case two very important difficulties, I think, must be faced by the Communists as a result of the poverty of the country and of their program as they have expounded it. The first has to do with their relations with the industrial laboring classes. They emphasize production at all costs. That means, of course, that the workmen have got to become more efficient and take less perhaps in the way of wages than their bargaining strength which Communist support might otherwise enable them to get. The other problem is the problem of financing the necessary imports of capital goods to proceed with this industrialization program. At present the Communists have no foreign exchange reserves to speak of that we know of. They have no gold reserve. It would appear, therefore, that they will have to finance these imports almost entirely by the proceeds of current exports. Now the bulk of current exports is very likely to be the product of the farms. I mean they will rely on the Manchurian soybeans, they will rely on bristles, they will rely on tung oil, and things of that kind. It will mean that by one means or another they will



have to acquire from the peasants sufficient quantities of these goods at a low enough price to enable them to pay for the necessary imports. Now if they intend to industrialize at a rapid rate, that means, of course, that they will have to exercise ever greater pressure on the farming population to get what they need, or else they will have to seek foreign loans and credits or admit private investments into the country, and the last two alternatives seem to be directly contrary to their program and their party principles.

So, as I see it, they are in a very difficult position. It doesn't mean to say that they might not succeed over the long run if they are willing to take a less rapid recovery at pace of industrial development. It does not mean that economic pressure denying them these industrial goods or even the other imports would necessarily succeed in overthrowing the government. But with or without that they are still in a very difficult position. Now that does have some bearing on what we might do about it. It would depend, what we want to do, I think, on our estimate of the effects of various courses that we might take, and, as we see it, there are, broadly, three alternatives: We might try to restrict supplies of goods to China to such an extent that it would endanger the stability of their Government or compel them to come to us, or we might display what I sometimes think of as a judicious disinterest in their problems—buy from them what we find useful and sell to them what they can afford to pay for—make no loans or investments; in other words, let them stand on their own feet and otherwise at most take the necessary precautions to prevent the Russians from using them as purchasing agents to get what they can't get directly from us. Now the third alternative would be, of course, the other extreme, and that would be to lend such assistance as we can to them in stabilizing the economy and rehabilitating them. It would not necessarily mean helping them to expand it; it would mean such things as encouraging trade, encouraging long private loans and investments where possible; it might even include government assistance, say, through resumption of ECA aid or possibly point 4 assistance. Well, those, roughly, are the three alternatives.

Now the first alternative—that of restriction—has got to be considered in line with the facts, and the facts are these, I think: That if you really want to restrict China's trade for the purpose of upsetting the Government you have got to restrict such things as wheat, cotton, the whole range of commodities. And the second point is even such a policy or a somewhat less restrictive policy would not be effective unless we could obtain the cooperation of other suppliers to China, which is highly unlikely. We have been, of course, a large supplier of manufactured goods and petroleum to China, but we are not the only supplier, and if we should cut off our trade while the others permit theirs to go freely, it is likely that we would not impede in any significant way the progress of restoration of the economy, while we would at the same time put our people—our nationals out there—in a very difficult position and cut off our businessmen from legitimate trade.

The second alternative would mean merely that we would stop the back door of Russia, you might say, to the flow of these strategic commodities, as I believe Mr. Butterworth put it yesterday, but otherwise we would not take too great an interest in what the Chinese obtain. There are sound arguments in favor of that. In the first place, the Chinese economy is at such a level that it could hardly be developed in any short time in a way that would be dangerous to us. On the other side, there is the argument, of course, which I believe Governor Stassen put yesterday, that if we want to detach the Chinese from the Russians the way to do it is to shut them off completely and show them what they are missing. But that could be effective only if they actually do miss it, which, as I have said, is unlikely.

Now the third alternative—that of actively assisting them—it seems to me, proceeds on the assumption, to put it bluntly, that you can buy the friendship of people who are your avowed opponents. There are other arguments in favor of it, perhaps—the humanitarian argument and all of that—but in the present situation, where we don't know quite where they stand, it seems perhaps unwise to make a bet on where they will stand eventually.

Well, those are the three alternatives, and there are, of course, variations of each position, but there is another consideration that I would like to mention, and that is this: That in a situation of uncertainty, such as this is, and in circumstances apparently where we cannot affect it directly, it would seem advisable not to get ourselves into too definite a position until we know what developments will be, but at the same time to put ourselves in such a position that we can immediately take advantage of what developments may occur.



Well, that, roughly, is what I have to say about the problems of the Chinese Communists. I realize it has been very brief and concise and I mentioned practically no facts, and all that, but I am at your disposal for questions.

The CHAIRMAN. Thank you very much, Mr. Brown. Before we get into detailed discussion of Mr. Brown's briefing, I wonder if I might first ask Mr. Cleveland if he would tell us very briefly about the rural reconstruction program in China—the ECA—if we could have that as additional briefing before we get into our discussion.

Mr. CLEVELAND. Well, there are probably several people in the room who know at least as much about the Rural Reconstruction Commission as I do, since I have been watching it from Washington, which is quite a ways away. One of the real experts on the subject is, of course, Ambassador Stuart. I might sketch in very briefly the present status of the aid program in the Far East, or at least as far as ECA is concerned. Leaving aside, therefore, the special assistance that has been given to the Philippines and the continuing military assistance to Japan, ECA's incidence in the Far East is really in four different ways: through the China program; through the Korea program, which in effect is a take-over of what the Army was doing there; through a program now suspended for the time being to Indonesia; and through assistance to the colonies—the dependencies of Marshall-plan countries, which, of course, are just as much part of the ERP area as the metropolitan countries of Europe. The Rural Reconstruction Commission fits in as a portion of the China program which consisted also, of course, of the provision of some commodities, the commodities being primarily food and cotton, some fertilizer and petroleum, and consisted of some industrial plans which were never, of course, put into active practice because of the way the situation developed in China.

The Rural Reconstruction Commission, which we regarded as one of the three main parts of the China program, was started really at the initiative of Congress and to a considerable extent stemmed from the widespread knowledge and approval in this country of the program that has been carried on in several different places at various times over a period of some 25 years by Dr. James Y. C. Yen, better known as Jimmie Yen, known as the mass education movement. It also stemmed from recommendations that were made in 1946, I believe it was, of the Sino-American Agricultural Commission, which was a joint commission that studied potentialities of agricultural production and development in China and made a number of rather far reaching recommendations. The Commission then, which was added to the China Aid Act in the House Foreign Affairs Committee—the nature of the Commission was set up in the act itself; that is, that it should consist of five members, three Chinese and two American, of which the chairman should be one of the three Chinese members, and given in the act a rather broad area to operate in, defined really as the whole field of improvement of the lot of rural people in China, which is quite a big order.

The Commission was set up after some negotiations and agreement was arrived at and the members were appointed. The Commission had its first meeting on the 1st of October, a little more than a year ago. The Chairman was, and still is—this is still going on—Chiang Mon-lin, who was an old-time member of the Kuomintang and quite close to a number of the leaders in the Nationalist Government. And the other two Chinese members were T. H. Shen, who had a very great reputation in the agricultural field, and Jimmie Yen himself. The American members were Raymond Moyer, who had been on the Sino-American Agricultural Commission and had been for a good part of his life in agricultural work and agricultural education and had also worked on some joint projects of agricultural improvement in South America in connection with the Department of Agriculture, and John Earl Baker, who is also very well known in China and by people interested in China—a former railway adviser and relief executive in China for a period of many years. This group got together on October 1, a year ago, and it took them several months, and they were quite anxious months for people interested in the fate of this project, really to come to agreement among themselves as to what it was they were up to. The frame of reference in which they were supposed to work was so broad, encompassing anything that would be of some assistance to Chinese farmers, who constitute some 80 percent, or whatever it is, of the population, and that it was really quite difficult for this group of people with quite varying backgrounds to come to agreement.

The fact that they did come to agreement is itself a significant fact. They started in a sense almost before they had come to an agreement on the general nature of their work with rather an ambitious program of agricultural im-



provements, and particularly irrigation and flood control. I think that they started with that list because it was decided that that was priority No. 1 and because it is the traditional form of assistance to rural people in China. Some irrigation and flood-control projects were either assisted or in a few cases started anew by the Commission. The Commission set itself up on a regional basis and hired Chinese staff and brought in some American technicians to work with it, but it was really 6 months or more after it was originally established before the Commission's thinking really jelled on what it was up to, and by that time I think it is fair to say that they had come to a number of conclusions which have been now tested in practice and which, I think, are particularly important in connection with consideration of measures that may be helpful in this problem of recapturing the initiative in other parts of Asia and in connection with a practical approach to these taproot social forces which were discussed some yesterday and which appear in several of the points for discussion for this meeting. The first of these conclusions that I have referred to is that the most important single thing they eventually concluded that could be done in China was a real attack on the problem which has been called land reform, but that is such a fuzzy term that I will try to redefine it a little further: A redistribution of land, but more particularly tenure relationships between landlords and tenants.

They came, I think, to the conclusion—and this appears more from what has been done than what has been said—that the important thing in many areas of China was not to work on the theory of giving everybody a piece of land that he could call his own, but to make real progress in the direction of rent reduction and contract extension. As you know, the Kuomintang had had placed on the statute books some pretty far reaching land reform measures particularly, and both the National Government and provincial governments in many cases had passed laws and rules and regulations to the general effect that rent ought to be low, specified as  $37\frac{1}{2}$  percent, or to the percentages varying by provinces, but nothing particularly significant had been done to put these laws really into practice. So the last job they tackled in point of time, but the first job they would have tackled now if they were starting all over again, was trying to put some real spin on the enforcement and carrying through of existing land reform measures. To this end the Commission would operate in the following way: Go into a province—and this has been particularly done in Fukien before the Communists came in, in Szechwan, in Kwangsi, and on the island of Taiwan—they would go to the provincial authorities in Szechwan or in Taiwan to Gen. Chang Chun and sell the authorities first on the importance of making real progress along these lines.

They found, I believe, some considerable resistance, of course, but also in some quarters surprising support for the idea of making real strides in this direction, primarily from people who had come to the same conclusion that the Commission had come to, namely, that real steps had to be taken in this direction if there was to be an answer in social policy to the tremendous appeal that the Communists had had through their rather more drastic and, in at least some places, less economic ways of redistributing agricultural income. After an arrangement with the provincial authorities and the setting of what was regarded as adequate standards, let's say, in a typical example,  $37\frac{1}{2}$  percent as the maximum rent and 3 years as the minimum length of contract, it then became a matter for the provincial authorities to carry through, but the Joint Commission on Rural Reconstruction—JCRR—was able to help in several significant ways. In the first place, it could help by helping to educate and publicize and propagandize the measures. In the second place, it could help by providing loan currency to the provincial authorities or to special bodies set up to go from county to county to carry out the orders. And in the third place, it could keep track of the enterprise and continue to push and shove at every possible point where that might be helpful. It represented, in other words, an outside force speaking in a sense on behalf of the people, which was a constant check on the tendency to slow up or to stop entirely.

I have put, probably, too much emphasis on what has apparently become known in Taiwan as the 375 program and is referred to as that by the farmers, but because I think it is the most significant and also the newest type of activity associated with an aid program. But I don't want to leave you the impression that that is the only job or even that it is the main job in terms of the number of people and the amount of funds spent for the rural reconstruction activity. Irrigation and flood control have been important activities in terms of the funds spent and in terms of several areas, particularly in the Tung Ting Lake area in Hunan, in terms of results. There have been some important though modest



steps taken in the direction of setting up seed multiplication stations, in the direction of better use of fertilizers, demonstration projects showing how much better a commercial fertilizer is than the local manure, and an assortment of other activities in the realm of agricultural improvement. There have also been supported some very significant activities in what is known in China as mass education—literacy and other types of education. The only place where the emphasis on that has been very important, however, is in the Province of Szechwan, where Jimmie Yen, of course, was already established during the war, and where the program was a going concern it received financial assistance from the JCRR.

I would like to refer to one or two other points in this connection which are of particular significance for other areas and even for China still. One is the financial problem. This program was able to be financed during the period when the Chinese currency meant anything at all—it was able to be financed almost entirely from local currency—that is to say, from the Chinese currency counterpart of the ECA supplies that were sent. It meant, therefore, that when you put rice in for the ration program in Canton or Shanghai you put cotton in for the textile need for the production of the mills first and then for the textile needs of the cities, that in that program you had limited yourself really to meeting the needs of coastal urban areas. In that connection, through the JCRR particularly and through some other projects outside the JCRR, it was possible to take the local currency and have some effect also in the interior. This, I think, has in it a particularly important idea: That it makes no sense, for example, to bring food into most areas of Asia and transport it to any extent inland. That has been done, of course, in the past to some extent, and in some cases effectively, but I think UNRRA's experience certainly was that it cost more and was more trouble and got into more difficulties than it was worth. On the other hand, if you can use the food where the shortage, at least in China, exists—namely, on the coast—and then use the local currency counterpart, the proceeds of sale, in effect, for benefiting the hinterland, you have got a balance in the program that makes the most sense.

Of course, Chinese currency after a while got so that it wasn't, broadly speaking, worth anything and the Chinese Government was quite unable to meet the requests for funds made to it under the ECA bilateral agreement, and after a while, when the Nationalist Government got down to Canton, they went over to a proceeds-of-sale basis and that's silver yuan now, that is actually received for the food in Canton and is again reused immediately. That has meant to some extent that we have had to use United States-appropriated funds for internal expenses in China. The JCRR program in Szechwan, for example, has used some silver dollars in connection with its program, which is about the only acceptable currency out, which are the direct product of either buying silver dollars and minting them, or buying the silver dollars locally with ECA funds. This is a departure from the normal ECA practice that local expenses are met in local currency, a departure in a sense forced on us by the situation and the lack of either a local currency that meant anything or a government that could produce local currency on request.

The other main point I would like to mention is what a number of us have called the principle of jointness. The very set-up of the JCRR was a vote in favor of the theory that you can best work with the Chinese by joint arrangements rather than by arm's-length negotiation.

There is much to be said on both sides of that question, but I think that the experience of the Commission after a rather slow process of becoming joint, shall we say, has been extremely happy in that regard. The members have generally gotten on well, they have got to understand each other, and things have been accomplished by the Chinese members. For example, Chiang Mon-lin's remarkable feat of converting General Chung to be so enthusiastic an advocate of land reform that he went personally to every hsien in Taiwan preaching the gospel. That type of persuasion is simply outside the realm of what any American, no matter how astute and no matter how long resident in China, would have been able to do. I think the results also tend to pay off in more purely political terms.

And just to finish off, I would like to read you two short excerpts from the report from one of the top people in the JCRR organization—an American—specifically on the question of how good is this kind of program as insurance against communism. One of these reports reads this way:

"Nearly \$1 million was spent in repairing the dikes with the expectation of increasing rice production in 1949 over that of 1948 by an amount roughly equal



to that imported by ECA into China. The political effect of this type of work was best shown in late spring, when most of western Hunan rose up in rebellion against the Government. The rebellion was one primarily rising out of poverty from the floods rather than by Communist instigation. Only one part of western Hunan did not rise up, and oddly enough at first glance it was the area which had been most severely hit by the 1948 floods—that around the Tung Ting Lakes. Questioning of local authorities brought out two reasons for this. First, during the desperate winter months JCRR money had served as work relief for this area of several million people; second, with the dikes repaired the farmers had hopes for a good crop this summer."

The other report reads this way:

"In April support was started for a land reform (i. e., redistribution) program in southwestern Fukien, enlarging a previously started hsien-size program to cover the seven hsien in the prefecture. Land reform in that one hsien had wide popular appeal and had resulted in a virtual elimination of all banditry in an area which had been sorely afflicted with it for years. The political effect of this type of program was clearly shown when the prefectural commissioner led a pro-Communist revolt in late May—the most important part of the prefecture not joining in the revolt was that section in which land reform had been completed."

Mr. COONS. My question was simply one directed to Mr. Brown here. His last comment was about keeping ourselves flexible and it struck me as a sort of a springboard policy. I couldn't quite visualize it, I couldn't quite imagine what you were thinking in contrast to the other three alternatives you were talking about.

Mr. BROWN. What I had in mind there was not suggesting that as an alternative policy but something to be kept in mind. That alternative should be chosen, in other words, if that is a consideration as well as these considerations of effectiveness, and so on.

Mr. STALEY. It is in favor of No. 2; isn't it?

Mr. BROWN. Yes.

Mr. TAYLOR. I wonder if we didn't underestimate in some remarks to some extent the strength of the position in respect to the rest of Asia. Perhaps that was deliberately left out. It seems to me in relation to Japan they can put us on the spot, they are in a very powerful position. The coke and coal, I understand, for Japanese industries has to come from China. I believe you said there were alternative supplies or substitutes for all Chinese exports. I suppose you could get coke and coal elsewhere but it would have to come a long way. China is a natural market for Japan. That is another reason why they would be in an extremely powerful position.

Thirdly, they are in a position to whip anti-Japanese feeling in all parts of Asia, and in that way embarrass any effort we might make toward extension of Japanese products to other parts of Asia, which of course is necessary to ever get rid of the \$450,000,000 a year that we pay into Japan now. It seems to me from that point of view they have a good many bargaining positions on their side.

Mr. BROWN. I recognize that and not intentionally but inadvertently I did omit another consideration in determining our policy, and that is the fact that it cannot I think be determined solely on the effect of our trade with Japan, what we might do. There is also the question of Japan and our obligation to Japan, and, Mr. Ambassador, I would like to suggest that Mr. Barnett over here might have something to say on that question of Sino-Japanese economic relations.

Mr. JESSUP. We will call on Mr. Barnett in a minute. Mr. Decker.

Mr. DECKER. My question, Mr. Ambassador had to do with Mr. Cleveland's discussion. I think we had better save that.

Mr. JESSUP. We will come back to you. Bob, do you want to say something?

Mr. BARNETT. I think what George Taylor has pointed to is certainly an important problem for the United States and for Japan and for China. We all know that about 40 percent of Japan's prewar trade was with Manchuria, North China, China, Korea, and Formosa. That trade since the end of the war has practically dried up for a number of obvious reasons.

It is our conclusion, having made various projects for the development of Japanese trade over the future, that Japan must trade with North China and Manchuria and Korea and Formosa if it is to become self-supporting again. At the present time we are meeting the Japanese trade deficit to the tune of about \$400 million a year. We are making, in cooperation with the Japanese, constructive efforts to enlarge Japanese trade. This spring and summer, for instance, a mission was sent to South America and a series of negotiations resulted in the



general conclusion that if all goes well there may be a flow of trade of \$100 million each way into South America, which is about 400 percent more than prewar. There is a demand in South America for Japanese goods.

A sterling agreement was worked out by the Japanese and the British Commonwealth, which ran into, I think, about 120 million sterling. The difficulty there is that whereas the Japanese can provide the exports, the sterling area has not been able to provide the means for payment, and at the present time Japan is holding a very large sterling balance.

There is some trade between Japan and India, and in this connection I wanted to mention this morning that in India and southeast Asia as a whole there is very little reluctance, in fact there is no evidence of any reluctance to buy Japanese goods, very surprisingly, and with one exception which is the Philippine Islands. In India there is a good deal of interest to get from Japan technical assistance of the point 4 variety.

Having added up all these very optimistic prospects for Japanese imports and exports and bearing in mind the loss of the silk market in this country, we still feel Japan cannot balance her trade without substantial resumption of commercial operations with the continent. As to the risk which Mr. Taylor pointed to—the risk, that is, of an unwholesome dependence of Japan upon the raw materials of the continent—some of us feel that an economy which is 85 percent agricultural is a very sluggish economy, and benefits from trade with Japan will be benefits realized arithmetically, as it were, slowly over a period of 15 or 20 years, whereas Japan's benefits from resumption of trade would be instantaneous and geometric, in a sense.

Now Japan needs to have a degree of internal stability and a degree of normalization of her over-all economic relations abroad in order to develop export markets which can in the long run be alternative to the China market and give her an independence in dealing with China in the long run. Therefore our feeling in the short run is that Japan stands probably more to gain from a continuation or a resumption of trade relations with China than through attempting at this time to get along without China and continue to depend exclusively upon the United States subsidy.

The CHAIRMAN. Having in mind these considerations which Mr. Brown and Mr. Barnett have laid before us, including the stake we have in the Japanese picture, and the other considerations which have been brought out and which are known to you in connection with the China picture, I wonder if we could address ourselves to the question in the Department, and that is, I think, without trying to formulate it in exact terms or cover all possible alternatives, what should be the attitude of the United States toward American trade with Communist China? Should we discourage it? Should we prevent it? Should we encourage it? Should we tolerate it? And there are various other verbs that you can put in. There is a central problem there which I think is obvious to all of you and which does confront the Department. I think if we can address ourselves to that issue for a few minutes it would be very useful.

Mr. BRODIE. Isn't there another question which belongs with that: What are our expectations concerning Communist Chinese willingness to trade with Japan except on terms which may be from our point of view unacceptable?

The CHAIRMAN. Yes, but I don't think all heard that. Mr. Brodie's suggestion is there is another aspect of the question and that is: What is Communist China's willingness to trade with Japan except on terms which might not be acceptable to us?

Mr. BRODIE. Or to the Japanese.

The CHAIRMAN. Or to the Japanese.

Mr. COLEGROVE. Mr. Ambassador, touching upon the general subject that you have mentioned, and Mr. Brodie's question, it is rather interesting to note that within the last 3 weeks a leading Japanese columnist by the name of Nosaka, who is one of the three leaders of the Communist Party in Japan, made a public announcement to the effect that he personally, representing the Communist Party, would be able to bring Japanese merchants into touch with Chinese merchants to establish trade relations. This would indicate that the Communist Party in Japan was trying to jump the gun on SCAP or the American Government, in establishing such trade. Now, I think it is generally agreed that if Japan is going to rehabilitate her industrial position it is going to be absolutely necessary to have these markets. Mr. Barnett said 40 percent of the imports of Japan came from China and Manchuria before the war. I think it is even a little more than that, about 42 percent, and that is a market that can't be ignored. Japan will have difficulty enough in getting new markets or refinding her old markets in the United States, now the silk trade has



collapsed; so I think we can go on the assumption that trade must be revived between China and Japan.

If that is the case, it will be better for us to try to get ahead of the Communists in making these trade agreements, and I think Nosaka's assurance that he could arrange trade personally between or officially with the Communist Party between Japanese merchants and Chinese Communists shows that there is willingness among Chinese Communists to enter such trade.

Mr. VINACKE. On Chinese Communist terms?

Mr. COLEGROVE. Probably.

Mr. VINACKE. That is quite important, I think, to keep in mind. A broader proposition was: Can this trade be opened or reopened from a Chinese Communist side on terms that would be acceptable to us, the opposite of which is on terms acceptable to them?

Mr. BRODIE. I gather from what Mr. Barnett said that the Japanese are much more dependent on trade with China than Chinese are on trade with Japan. It seems to me that is an exceedingly important part of this problem.

Mr. ROSINGER. I don't think we can find out whether Chinese Communist terms are acceptable until trade is actually launched as a real possibility, because my impression is that in all trade with the United States, between the United States and other countries, and so on, you first have to have an actual proposition come forward and then you reach your decision. I think it would be very unfortunate if, on the basis of a possibility that Chinese Communists' terms might be unacceptable, we didn't find out what those terms actually were. I think another consideration is that my impression is that in most trade that goes on you will find some terms acceptable and some not, so that would seem a day-to-day process of bargaining on the part of the people, private and official, who are actually negotiating the trade.

Mr. BARNETT. Mr. Rosinger theoretically has pointed to something which is factual, and that is that certain commercial relations are under consideration now between Communist China and Japan. The relations are not direct; they are through commercial agencies, some of them in Hong Kong and some elsewhere, who have contacts with the Japanese and contacts with the Chinese Communists in Tientsin. The question therefore poses itself, not whether there will be contact between Communists in Japan but whether there will be steps taken to prevent a flow of commerce which makes sense in terms of private profit for private or governmental agencies acting on behalf of their principals.

As to the bargaining position of Chinese Communists and the Japanese, I would say bargaining position of the Japanese at the present time was much stronger than that of the Chinese. In the long-term thing the considerations which Mr. Brown has mentioned might make the Chinese Communists' bargaining position stronger, but now the Chinese Communists' modern economy is practically prostrate. Its transportation system is worn out; its communications system is worn out; its factories lack spare parts; its generators are wearing out; their spare parts for the rehabilitation of the minimum modern equipment for a modern economy must be found in Japan, and the bargaining position of the Chinese who have not restored their mines into operation, have not restored transportation system to a point where they have large stockpiles in the ports, et cetera, is comparatively weak. So, in the short run, the bargaining position is not in favor of Chinese Communists.

Mr. BROWN. May I add something to that? The point of fact which I did not mention is simply this: that in this past year that Chinese Communists have had some of the most serious natural calamities that have ever befallen China in the past 30 years. They have had one of the most serious droughts in north China and north Manchuria in 30 years. That was followed by serious floods both in the north and along the Yangtze, and they are in an extremely difficult position at the moment. We have information, for instance, that they are desperate for such things as raw cotton, rail materials, and gasoline and things of that kind, and they have not got the exchange to buy it. They want to barter of course.

The CHAIRMAN. I will recognize Mr. Ballantine, and then I hope that we might have some expression of view from the representatives of business and banking interests.

Mr. BALLANTINE. What I was going to say: Mr. Barnett jumped guns on me. I was going to make a comment to the effect that I thought the situation today—Japan's bargaining power—was better than that of Communist China. There is only one other point I would like to add. I don't know what the present policy of the Government is toward the question of export of Japanese



technological know-how to China. I know that during the period of the late days of the war, just before Japan surrendered, there was strong feeling in the State Department that we should do everything we could to discourage it. What the situation is today I don't know, but I think that from our point of view, from our interest, from the point of view of having a commodity that the Japanese can export of very great value, there should be no restrictions on export of Japanese technological know-how to China, especially channeling of trade, handling of foreign exchange, banks, and in addition to industrial know-how.

Mr. MACNAUGHTON. Well, a long time ago we were on paper money in this country and somebody said we ought to resume specie payment. Cleveland, I think, said the way to resume is to resume. We will never get this world going unless we start trade, and I would start trade with Communists in China until I found out they were impossible to do business with.

Mr. MURPHY. I feel that if we don't trade with the Communists in China it is pretty obvious that, since they have a very crying need for goods, it simply amounts to forcing them to trade with Russia on Russia's terms. Russia, I think, has a very comparatively small surplus of goods to give China. Therefore, I think she will be for giving them and sure that she gets the best possible terms for them.

Secondly, our trade with Communist China in the beginning, so far as we can see, will be fraught with great difficulty. The Communists seem to be doing all that they can to insult us verbally—at least verbally. I think we would be very foolish and lacking in poise if we allowed that to be a consideration as long as we are not physically barred out. I think that the Communists in China are going to have a very hard time establishing themselves throughout the country and among all the people. I think that before they do establish themselves they will have had to modify their program very materially. Where that will end up in the course of a number of years nobody here I think can now foresee, but if we disregard insults and difficulties and are still in there then we stand to benefit from any modification of the Communist program that is forced on them. If, alternatively, we withdraw, then when the modification has taken place we will not be there to benefit by it, and possibly the modification will not take place because the Russians will be in there a great deal more securely than they would be had we stayed in.

Mr. HEROD. Mr. Ambassador, I have a very definite feeling that we should not discourage United States trade with China because its political government happens to be Communist, except insofar as those particular war or strategic materials are concerned which might be used in a military sense against us. I think it would be most ill-advised to do it.

First, I don't think you could do it effectively to the disadvantage of the Chinese. I think the absence of oil would be an inconvenience, and I think that the Chinese standard of living and of life is such that it would be one more irritation on the part of a few concerned. I think you cannot dissociate completely this question of trade from the question of investments. We happen to trade in China. At the outbreak of the Japanese war, my own companies had about 2,400 employees in China. We have never since the war gotten up to more than about 800 employees. Trade is very difficult at the present time, but we shipped 10 days ago a power plant for Yu Fung, a cotton mill down on the Yangtze up to Tientsin. The thing is there and we have received the dollars, and I would be inclined to think that that would be a legitimate sort of thing to undertake and do. We likewise received an order last week with corresponding dollars from Kunming, and I won't tell you the name of the customer because somebody will tell my competitor, that some trade is going on. It is a mere trickle, and I think it would be highly undesirable to cut that trade on private account or to discourage it, and I think it would be ineffective to discourage it, as I don't believe it would obtain a political objective of any greater security for the United States or following any objective of the United States there.

As to Japanese-Chinese trade, I also have some pretty positive ideas which may not be right, but nevertheless I feel it. I had a long talk with General MacArthur. I was in Japan twice last year in regard to some of the situations there; and, as some of you probably noticed from the paper, we have decided we would not take back at the present time our investments in Japan. A portion of that is due to United States policy. United States policy is not sufficiently clear to know, for us to have any expectancy that we would not be sticking our neck out under a guillotine if we did that. The companies with which we are associated—were associated—within Japan rose to approximately



100,000 employees during the war. When I was there last year it totaled 34,000 employees, and they have now got—oh, I don't know—perhaps 25,000. They have been ordered by the new law that has gone through of deconcentration of industry to divest themselves of 27 of their 41 plants. They have been ordered by the law, which was put through by Americans going around to the Diet and telling the Diet that it should be put through, and the hands of the clock of the great parliamentary chamber were stopped in order that they could do it, to likewise sell machinery and go out of business in certain particular lines. They had been ordered in accordance with the law of Japan, which the Americans have not been wholly oblivious to and have had some irons in the fire in putting through, not to have interest in any other companies until the attraction to private people such as ourselves to go back to Japan under some of the things—the new ideas the United States Government has been insisting on in Japan have unfortunately been a deterrent to many of us to go in.

General MacArthur was kind in inviting me to go out, writing a letter asking us to come without technology, was very kind in expressing appreciation; and, when I gave an interview indicating I thought the situation was not right, it was not an hour and a half until the Prime Minister of Japan sent his automobile asking me to come to see him. The governor of the Bank of Japan asked me to come to see him. I had more automobiles than I could travel in. They were extremely interested, but we by our own actions are urging rather deterrent things to the economic rehabilitation.

We have discussed this with the State Department and the Department of the Army, and I think very constructive steps are now being taken to try to correct some of them, but I think we are going to have to let Japan as a low-margin country trade with China. I think we are going to have to let Japan develop a merchant marine, because Japan's shipping has been one of her prominent elements of her competitive position in the past. She has been able to buy cotton from India and other places, China, and bring it into Japan in her own ships, work it up into textiles, and ship it back into India at lower prices than the British could ship and a lower price than even the Indians could make in some particular cases, and our own former associated company in Japan I just mentioned a minute ago has had a technical mission out and been requested by the Indians to turn over their techniques. They have asked us about it. We have said it is a good thing to go ahead and do it. I think you have got to have the market for Asia open, whether it is going to be Communist-dominated or not as far as political government is concerned, to the private traders, to let the Japanese recover, to let the world recover, and I wouldn't handicap that too much. I would be a little bit more liberal in permitting Japan to trade with China than I would United States trade if the necessity arose because Japan is a lower-margin country than the United States. We can afford to do a lot of things which some of the other countries can't always afford to do, and I feel very positively it would be unwise to limit that trade other than in certain strategic things where an element of security might be involved.

The CHAIRMAN. I wonder if Mr. MacNaughton and Mr. Murphy would hold their additional statements until after a 5-minute recess and then we will resume.

(Recess from 3:30 to 3:40. When the meeting resumed, Mr. Fosdick assumed chairmanship.)

The CHAIRMAN (Mr. Fosdick). Gentlemen, shall we resume the discussion on this economic situation. I was going to call on Mr. MacNaughton first. He raised his hand just before Mr. Jessup went out.

Mr. MACNAUGHTON. On what Mr. Murphy said about not being frightened off by Communists, I was reminded of a case in the bank. We had a customer to whom we had loaned a good deal of money. He had machinery to sell; tried to sell it to a mill man. He came to me and said, "I had a terrible time." He said, "He called me an s.o.b., but he did it in a nice way, so I sold it to him anyway." You let trade alone. As long as it makes a deal that is a deal that will stand up, we will take care of ourselves.

Mr. MURPHY. I was just interested in a point Mr. Herod made when he talked about an installation he had made recently in Kunming after we were talking about our consulates in China and which ones we were keeping open and which ones would close, and among the ones being closed was the one in Kunming. Mr. Butterworth, when he was discussing it, said several times, well, we had not had a consulate in Kunming in the years 1920 to 1930 or thereabouts, and that seemed to be a consideration. I have just wanted to raise the point that Kunming in the early 1920's and Kunming, I would say, today were two entirely different places. In the early 1920's Kunming was almost absolutely isolated. The only approach



was by French railway from Hanoi. Since then, the Burma Road has come in. The road to Chungking, if it was a road in those days, has certainly been improved. The road to the east, to the north, south, Hankow, Canton railway, and the railroad into Guajo Province have been built since then, and I would say Kunming is much more open place—with its tin and other resources, the Province of Hunan today than it was then. I was just making that point.

The CHAIRMAN. Thank you very much. I will see that Mr. Butterworth gets that comment. I know he will be glad to have it.

Mr. ROCKEFELLER. Mr. Chairman, it seems to me we have two basic possibilities in China. One is condemning communism and the other is to look to us instead of Russia. As I see it, problems that come up under one heading may be in conflict with the other heading, and I think that is true with the problem of trade. It seems to me we have to weigh in our own minds as to which is the most important and then have the courage to act.

On United States trade with China, my own reaction is that it should be limited. It seems to me that the fastest way to contain communism is to discredit it in the eyes of the people of China. It seems to me if the economy worsens, that this will arouse opposition to it, and as I see it, the opposition is essential if new leadership is to develop in China, and I do feel that this new leadership is tremendously important. I appreciate that curtailing trade will be a source of propaganda for the Communists to use. They will say we are starving the Chinese people by not continuing our trade, but it seems to me whatever position we take in China, the Chinese Communists will develop propaganda that will be against us, and certainly if by trading with China the Chinese people generally, we do help conditions there, the Communists will be the last to give us any credit for it.

I realize this is a negative approach to the problem in China and I dislike very much negative approaches. Therefore, it would seem to me this would only be part of a broader approach which would be of a positive, constructive character, of the type that has been discussed here in the last 2 days, the type of economic aid in the Far East generally, educational assistance, information service, things of that type.

Finally, I would say I realize this trade matter is one that is very difficult for us to take a position on by ourselves. It would seem to me basically important that we be in touch with the British and work out some kind of common procedure with them.

Mr. PEPPER. Mr. Chairman, if we restrict China trade, there is no use doing it unless we can do it enough to hurt, and hurt mortally. There is no use doing it unless thereby we can materially contribute to the downfall of the Chinese Communist regime. If we do that, if we can—I don't know that we can, I don't think we can—if we can, that fact will be just as evident to the Chinese people as it is to us, whether the Chinese people are Communists or just ordinary Shanghai traders—your customers, Mr. Herod—they will all know it, won't they? If we know we have been able to hurt them enough to cripple them, they will know it. If they know, and crippling their economy is not an abstract matter for a textbook, it means millions of people don't eat. If millions of people in China know they don't eat because of America, now tell me which will that discredit the most, the Chinese Communists or Americans? If it discredits the Americans most, then does that discredit the Russians even more? Undoubtedly, whether we wish to contain communism or not, we wish to keep Russia out, don't we? Shall we as Americans do most to keep Russia out by making ourselves as disagreeable as possible, by hanging on us the onus of having starved the Chinese? Is this not, as Mr. Munphy said before, God's gift to Mr. Stalin? I think it is.

Mr. COLEGROVE. Dr. Fosdick, it seems to me that the remarks by Mr. Herod were extremely realistic. The point that we are interested in right now is reviving Japanese trade, which we agree is necessary. Japan needs food from China. On the other hand, she needs a market in China for her textiles and other manufactures. Now, if we are going to revive trade in Japan, manufacturing in Japan, we will have to, it seems to me, relax some of the interior controls which have been set up under SCAP. One of these controls unfortunately is the Zaibatsu legislation, to which reference was made, and another is the unfortunate extent of the purge under military occupation. We have purged well over 200,000 of the best brains in politics and the best brains in industry, and Japanese industry is going to find it extremely difficult to revive and expand and carry on an external import policy with the lack of the good brains which have been purged.



One thing I think is quite clear. At this time under the Yoshida Government if the United States should withdraw from Japan at the present time, one of the first things that government would do would be to repeal the Zaibatsu legislation, and of course to "unpurge" the purgees, especially the brains of industry, which have been purged. This should be taken into consideration with reference to our Chinese policy and its respect to reviving trade relations between Japan and China. One other thing with reference to the Zaibatsu legislation, I regret to say and I hope you will pardon me for saying it, that legislation originated, I am sorry to say, among the trust busters in our own Department of Justice. It was a great mistake that this was a policy forced upon Japan.

I call attention to the fact that Japan was able to capture a large part of the textile markets in Asia. In 1929, 1930, and 1931 by very peaceful invasion of those markets under the Zaibatsu economy which existed at that time. That economy eliminated a certain kind of competition, it introduced a better system of manufacturing, so that the Japanese were manufacturing cotton goods even below the cost of the British manufacturing. They had the advantage of course of being nearer the markets in Asia. It seems to me that the time has come when our Government should direct SCAP to relax the Zaibatsu legislation and to unpurge a large part of the purgees.

Mr. KIZER. Mr. Chairman, it seems to me that the time is ripe for a review of some of the difficulties that face the Chinese Communists themselves. What is going to be their position? If they could have moved on, province by province and locality by locality, they might have rationalized the agricultural economy with fair success, but they face pretty much the same difficulty, the same difficulty comes to them that came originally to the Kuomintang in that they have all China rather suddenly placed in their lap with very great difficulties indeed. Late reports indicate ——— is coming back into Peiping in the Communist government, that unemployment is on the increase, that inflation is now entering into their currency, as is only natural in carrying on a war on a great plane, much larger than they have heretofore been carrying it on. To meet that inflation which arises—of course they are spending more than they can possibly raise by taxation—they must as quickly as possible begin to discharge men from their armies and put them back to work, and there will probably not be farms or land for them to work.

I surmise when that time comes we will see some of these elements running into the hills and taking up the ancient and honorable practice of banditry and there will be confronting the Chinese Communists not only these immediate difficulties but permanent difficulties of trying to solve the problems of a country that has more and deeper and bigger problems than any other country. The Communists have certain promises out which they must redeem and which they will have very great difficulty in redeeming. I doubt if it is necessary for us to try to bring pressure from the outside to disillusion the Chinese people and their leaders about what communism can do for them. I think if we will go on and keep on as reasonably friendly a basis as we can, along the lines of trade such as Mr. Herod and Mr. MacNaughton and Mr. Murphy have pictured, I think we then won't need to take the onus.

Let us be sure that we don't intensify world antagonisms in what we do. World antagonisms are the climate in which Russia trades to best advantage. To the extent that we can bring about world reconciliation, we are doing more than in any other way to establish our own democratic procedures and our own welfare and I don't put my trust in any respect in the increase of antagonisms in this world.

Mr. TAYLOR. Mr. Chairman, on just one point about Zaibatsu, I understand the policy has already been relaxed upon that. Correct me if I am mistaken. As a friend of mine put it, we are putting the cartel before the hearse. I am not quite sure where the argument is now, but it seems to me that there is a link between what we are saying this afternoon and what we said at the end of this morning, and that is the possibility of alinement in the Far East. Whether that should be military or not I wouldn't like to comment on, because I don't know all the military factors involved. They are more obvious in Europe, not quite so obvious in the Far East. It does seem to me that this struggle is going on in so many levels that we might pay attention to some of them, and in this economic discussion it does seem to me to be important in that respect. Would it not be best to conceive of a kind of Zollverein in the Far East, an economic customs union between as many countries as possible? India has been mentioned as the pivot of an Asiatic policy, and I thoroughly agree with that, but Japan has got to be brought in, too. We can anticipate within 6 months a fierce propaganda move



on the part of the Chinese Communists to whip up anti-Japanese feeling everywhere else in Asia. I think we have got to face it head-on. We have got to get Japan back into, I am afraid, the old cold-prosperity sphere and include India in it. If you build up a sort of economic arrangement between as many countries as possible, I believe in trade with the Communist China on conditions certainly not giving them material for militarization, which will be one of their first objectives, in such a way that there will be a growing contrast between this economic union and China, always leaving it possible, as we invited countries in Europe to enter the Marshall plan, always leaving the possibility for them to come into this on proper conditions. Thinking along those lines, and particularly of propaganda lines, as the way in which, of the many levels on which we are struggling with the Soviet Union, in this particular area we can do it most effectively.

Mr. VINACKE. Mr. Chairman, for the record, I am not sure that I want to be associated with Mr. Colegrove's "we" with respect to the general agreement that it is indispensable to the United States to revive completely the Japanese economy. It depends on the conditions under which it revives, on the condition of its relationship with other economies in the Far East. I just wanted to make that position clear. When Mr. Colegrove said "we are agreed," I am not in that area of agreement.

Beyond that I would like to come back to the alternatives suggested to us by Mr. Brown. It seems to me that in relation to trade with Communist China his second alternative is the one certainly which commends itself to me. That is to say, I don't think for a minute that there should be on the part of the United States any financing of the trade with Communist China on a credit basis. Any trade that is financed along the lines of Mr. Herod's suggestions, where there is a demand for American products which are paid for cash-on-the-line and not with any legacy left over of the problem of collections and cancellations, and so on; no restrictions on trade but no fostering of trade except in terms of a day-to-day mutuality of interest it seems to me that is the one way in which we can move economically without putting ourselves in a very bad position with respect to the Chinese, and, it seems to me, at the same time may keep ourselves in a position to move, as Mr. Brown suggested, flexibly as the situation develops.

Mr. STALEY. I, too, was going to turn to the alternatives which it seems to me Mr. Brown laid out in very fair manner, pictured accurately. As far as I can assess the situation and attempting to sum up a little bit some of the considerations that have come out of this discussion as affecting those alternatives, it would look this way. On alternative one, that is trying to restrict Chinese Communist economy by restricting trade and attempting to make its economic situation worse politically, if we succeed in restricting trade with them, we get the blame for any failures of the Chinese economically, probably, rather than the Chinese Communists themselves. If we don't succeed but try and they come through and their economy revives and gets better, they get the credit for it and still we have the onus of having attempted and failed. On the economic side it looks as though this alternative one couldn't be done anyway as long as you have Hong Kong and the problems of alternative sources of supply for almost everything we could try to shut off. It would be a pretty difficult operation unless we were willing to go into all the apparatus of economic warfare and could persuade most of the other important countries to go along with us, so it seems pretty impossible anyway. And from the side of domestic political considerations here, which the Government would certainly have to take account of, we haven't discussed those but it would seem rather doubtful whether this policy would be very well accepted in the United States after a while in view of the fact that this would tend to restrict things like probably wheat and cotton, too.

On the third alternative, skipping the second one—I think we can rule that out pretty quickly. Nobody has spoken in favor of active assistance to the Chinese Communists. Also on this score of domestic political considerations that wouldn't go anyway, so that it would look as though what he called judicious disinterestedness would be about the best pattern. Let private trade operate, do not attempt to impede economic progress in Communist China, but don't go out of our way to help them to develop their economy. In other words, help the countries more that are more friendly with us.

Mr. DECKER. Mr. Chairman, I don't believe it is entirely naive or a piece of overrosy idealism to draw a distinction at times between the Chinese people and the Chinese Government. I do believe that that distinction is a valid one. I see the Chinese people as still cherishing down in the bottom of their hearts, most of them, a very high regard for the United States. They have been caught in a maelstrom of very tragic circumstances and they have been faced with the



impossible dilemmas, and had we been faced with the dilemmas in the same terms and with the same influence which they had, I am not at all certain that our decisions would not have been the same as theirs. Now I know how difficult it is to support the Chinese people or to assist the Chinese people without in indirect ways assisting the Communist government, but I do believe that we can leave time and the undoubted difficulties that the Communist regime will meet in China to deal largely with that question. And so I hope very much that not only in the realm of private trade but in the realm of private relief or reconstruction work that may be undertaken by private agencies in China that the door will be left open. Now, mind you, I am not optimistic about the immediate prospects for being able to extend a large measure of that sort of aid or relief to the Chinese. For one thing, we have got to justify it with the American people, and the American people simply will not furnish that relief if it has to be furnished on unreasonable terms. But let's not in our policy in any way close the door for that effort.

The CHAIRMAN. I might say we will have to pass on to another question. There is another important question that we are very anxious to get your opinion about, and, with your permission, I think we will say that Mr. Coons is our last speaker on that. I don't like to close the discussion; it is very important; it is perhaps as single an item of importance as any question that has come before us in these last 2 days, and it may be that we can resume on this tomorrow morning, if there is more to be said. But I think because we have Mr. Sargeant of the Public Affairs Division to go into this new question, it would be well just temporarily at least to close with Mr. Coons.

MR. COONS. As far as I am concerned, Mr. Chairman, you can skip this one and go ahead.

The CHAIRMAN. Well, gentlemen, we want to give you a picture of what the overseas information policy toward the Far East has been and is because we need your advice and counsel on this. Mr. Sargeant, who is connected with Mr. Allen's division, will present the briefing. Mr. Sargeant.

MR. SARGEANT. Thank you, Mr. Chairman. I am asked to make one announcement: Yankees 4, Brooklyn 3. [Laughter.] That is the final score.

I speak with some diffidence on the problem of information, propaganda, the psychological warfare, cultural relations, educational exchange for China and the Far East, as we have a lot of people around this table who are expert in the field of information policy in the Far East. In fact, I talked with them last night—a few of them—so I think I will be rather brief in presenting the general remarks that I would like to give you as the framework for at least two, possibly three, major problems that I would like to pose to this group for their discussion.

I think to start out with I'll make one remark, which I am told by a friend of mine who heard me talk at the National Foreign Trade Council last November is the only thing he had ever remembered of several speeches he heard me make. I asked him what this significant piece of wisdom was, and he said, "You made a statement referring to propaganda; 'Because a cat has kittens in the oven does not make them biscuits.' I have always remembered that."

To some extent, in posing problems to you this afternoon in terms of information policy, I realize that we are posing problems which can only be settled as people who think about problems of military relationships, economic relationships, the other symbols of our relationships with the Far East begin to hammer out decisions about which we can say something or do something, so I lay that as the basic premise.

Very briefly, what the Department is now doing in the Far East, including southeast Asia, is roughly divisible in four or five categories. First, why are we doing anything at all? That seems to me to be obvious. I think perhaps General Marshall pinned it down extremely accurately when he said that first we must provide a source of truthful information—truthful information about ourselves, our policies, about world affairs. Second, I think we have to provide factual information about the United States—very specifically about the United States. The time is passed when this country could afford to ignore or be unconcerned about what other people think about us. We have found, and I think we are finding, this more true every day, that we can't be unaware of nor can we simply ignore the misrepresentations, the distortions, the hostile propaganda directed against the United States and its policies.

Now our immediate objective in the program of the United States Information and Educational Exchange Service, I think, are of two kinds. First, we are attempting to align public opinion throughout the world on the side of the United States, the policies that we stand for, and it has two aspects to it: A positive side, in which we are trying to demonstrate that United States policies are in



effect to the self-interest of other nations and other peoples; it is to their advantage to support these policies. I think there is a negative side. I think that is the demonstration of what the U. S. S. R. and specifically those aspects of communism which are represented by imperialism, aggression, brutality, etc., really mean in terms of the lives and futures of entire peoples and nations.

Now in the Far East I will pose perhaps five or six different kinds of specific goals that we are inclined to think we are striving for. When I say "we are inclined to think" I put it in these terms because manifestly what we attempt to do with these instruments is dependent upon basic policy decisions; where is this country going to go in its relations with the Far East? But tentatively, and so that you will have a feeling of some concreteness, these are the kinds of things we are thinking of as specific goals at the present time, and I hope they will be among the things you discuss. I think, for one thing, that we are trying to drive home to the peoples of the Far East the fact that there is an imminent danger of Communist penetration and of possible conquest; that this does not mean what they have been led to believe of a Soviet paradise, the folklore and myth. I think we have to tell them very directly what has been found to be the case in satellite countries in Europe under communism. I think, secondly, that we have to let the people of the Far East know what constitutes the fertile growing grounds for communism.

I think we have to mark those things out clearly. I would hope that our policies are so shaped that we will be prepared to do things which correct those conditions under which communism can grow and can spread. I think further that we are attempting to encourage certain types of tendencies to separate and divide among the Chinese Communists and other known Communist parties. I think in part we place some emphasis on what has happened in Yugoslavia and other tendencies in Western Europe. Further, we are inclined to believe that we are hitting at a myth that is held too widely in the world—the belief that the United States in some ways is really the proponent of reaction, that we are really the people that want to perpetuate the system of absentee landlordism or the exploitation of the masses by a small reactionary clique. I hope that our policies will speak so clearly that when this cat has kittens it will be perfectly evident in the instruments of propaganda that we are saying what in fact our deeds reflect, that we are: a champion of liberalism and freedom, the rights of an individual. I know we profess that, but we must make the deeds square with the words.

I think, of course, further that we are very much concerned with convincing the peoples in the Far East that their ultimate salvation does lie in close cooperation with the countries of the west; that the western countries are in fact in sympathy with their national aspirations. I think there are other things that I might bring to your mind. I use these as illustrative of the specific kinds of things which I hope this group will direct its attention to.

I would like to summarize very quickly what our program now looks like in China and the Far East. We are operating in more areas in the world principally through five major media: press and publications, radio, motion pictures, libraries and cultural institutes, exchange of persons programs, very broadly considered. Now in China at the present time you would have to say this program, except for radio, is practically nonexistent; it has been cut down, cut out; we are not doing in China many of the things that people in this room know at first hand. We have been dislocated, practically abrogated, by the political upheaval. We are digging in to some extent on Formosa; we are expanding the staff there. I don't know how long we can keep that up. I don't know how effective we can be from there. We are continuing to distribute materials from Chungking and from Kunming, but communications are difficult and we haven't really abandoned those in places of operations. We were formerly operating in Hankow, Mukden, and Canton. These are all closed, and closed when the consulates in these cities were removed. Although we can't operate in these areas where the Communists control, we do have at least one officer of USIE who is retained. They do handle certain reporting and caretaking functions, but there is no program of the kind that you people have known in the past. Our principal effort there at present is radio. We are carrying 3¾ hours a day in English, being both directly from short wave, from stateside transmitters, by relays in Honolulu and Manila, which now include medium-wave relay, which does reach certain areas of China. We have, in addition, 2 hours a day in Mandarin, we have a half hour a day in Cantonese. Most of those programs would be heard in the Far East in the evening hours between 6 and 10 o'clock at night, but we do have a couple of morning breakfast-time shows. Now this is a small program that we are able to retain in China. We are doing things



to establish ourselves in Hong Kong, where in addition to a local program we hope to have a regional center for distribution of materials to operate as a production and distribution point not only to China but to other areas that are nearby, where very important elements to reach will be those Chinese elements in the local population.

To give you some idea of what it means to cut the China program back, in Korea we still have one of the most extensive country programs that we are operating anywhere in the world. This is a program which, as you know, we have recently inherited. We have inherited it from the time of the military occupation. We are spending a little under \$2 million in the current year in Korea alone. We operate nine information centers there. We have special publications, including weekly newsletters, fortnightly, a world news periodical, a monthly magazine; we carry a rebroadcast over an 11-station network; the Korean broadcast, the Voice of America; we have locally produced news commentaries; we have a very large motion-picture program, including mobile units to take it out to local centers of the population; we have a Fulbright agreement which has been drawn up but not yet signed, to expand the relatively small exchange-of-persons program in Korea. The current estimates are that these nine information centers are being patronized by an average of 1 million Koreans a month. Now that's the other end of the scale from China, and I introduce Korea into our thinking so that you can see how at the present time we have relatively little ability other than by raido to affect the Chinese people and the Chinese thinking.

I would like now to turn, if I may, Mr. Chairman, very quickly to at least two major problems that I would like to leave with the group of consultants who are sitting around this table. First, the program for which the Department is responsible—information and educational exchange—is a program that does stem out of the work done by the Office of War Information and in Latin America by the Office of Inter-American Affairs. From 1945 until 1948, it is not an exaggeration to say that from one week to another the betting odds would shift perceptibly as to whether this infant would live at all. In 1948, before the basic legislation, the Smith-Mundt Act, was passed, it was practically a liquidated if not a liquidated operation, and in the past year, 1949, it has been built up in many areas of the world, but it does not represent even yet the kind of a base that you would have had if you had continued directly from the foundation laid during the war, continued with a firm objective in mind that this was going to be a necessary peacetime activity. Now the legislation itself in its history thoroughly shows that what the Congress had in mind was not a psychological warfare device; it did not plan that this particular operation should be engaged in black or even gray activities; it was designed as an open information and educational exchange operation. I think the problem that we in the Department now face and one on which this group will have views—given the conditions we now have in China and that we will have in the foreseeable future, is it practicable to expect that any major onslaught can be made in ideological campaigns by purely open overt means?

I am not suggesting any answer one way or the other, but it is a problem broad in its dimensions. A number of people who have thought deeply and who have had profound experience in this field are inclined to believe that the operation must shift from the completely open basis to one that does operate, at least in part, on a clandestine basis.

There are others who feel deeply and with equal conviction that you cannot fight communism, whether it be Russian communism, Chinese communism, or any other form of communism, by these particular techniques. They think this permits the opponent to choose the terrain and they feel basically that we are not going to succeed by the use of such strategy. This extends, of course, beyond China itself; it extends to other areas of southeast Asia—those areas adjoining Japan. If, for example, we are able to maintain an effective information program with the Chinese elements in neighboring countries, to what extent is this Government and the United States concerned to see that that information and some of those materials do reach the interior of China—reach thinking Chinese in the Communist-held areas? I think that is one of our big problems—how the emphasis should be placed in the future in developing in this particular area.

Now, second, I want to bring you back from China to the second big problem. This problem is not yet in China; this problem is here and it is on our doorsteps; it is in the institutions with which some of you are connected. I am talking about the somewhat more than 4,000 Chinese students that are here in this country. It is a problem with which my part of the Department has been



peculiarly concerned since, roughly, September 1948. At that time foreign-student advisers began to tell us that it would not be long before many of these Chinese students would be completely cut off from any funds or resources; that they would either be thrown upon the slender resources of the educational institutions, they would have to return to China, or in some cases they would become desperate and they would violate some of the immigration regulations under which they have been permitted to enter and we would really have a very unhappy situation. Very briefly, a lot of cooperative effort went into the temporary solution to the problem. The colleges and universities dug very deep into their cash boxes and they put up a very considerable amount of money to tide these students through another emergency period. The members of the Congress individually supported very strongly action by the executive branch. We did get an allocation of a half million dollars transferred from the ECA appropriation to the Department which we began to use in the spring of this year and we were able to assist somewhere in the neighborhood of 600 Chinese students out of a total of, I believe, 2,200 who applied to us for assistance.

Subsequently, in May of this year, we became convinced that the problem would not be solved by the half million dollars, and with great support from educational institutions, from Members of Congress, we have endorsed a transfer of \$4 million from ECA appropriations to the Department. Now the technical status of this is that both Houses of Congress have approved the use of \$4 million to assist these Chinese students. They have eliminated the former restrictive provisions which limited the aid to those students who might qualify as being here for technical or other courses of study which could be related to economic development and thus could be brought within the purview of the ECA statute broadly interpreted. The appropriation bill has not as yet, however, been finally acted on by the Congress, but there is every assurance that \$4 million will soon be available. Now the problem, I think, is this: You can take the \$4 million and you can do a very considerable amount to relieve the financial plight of these students. I think that you will be able to have most of them complete at least those courses of study for which they originally came to the United States.

I think it is estimated that 300 would complete those courses by February 1950, and then over a period of successive academic semesters more and more would be completing their studies for which they came here. I think there is a very considerable problem involved in the future of these Chinese students. There are those who hold the view that we should immediately take these students out of the institutions in which they are or at least provide for leaves of absence for them, bring them to some type of established training centers, and that we should very intensively attempt to indoctrinate them in the American way of life, basic tenets of democracy, and so forth. I don't happen to agree with that particular approach, but it has been suggested. Others believe that they should be left where they are; that they should complete their courses of study; that there should be no attempt to indoctrinate the students. There seems to be some general area of agreement that it will be desirable both for the peoples of China and the peoples of the United States that as many of these students as possible will in fact return to China to interpret the skills that they have learned when they have been in this country.

There is a feeling that something, however, must be done before very much time passes so that these particular Chinese students will have some understanding of the conditions that really obtain in China, the conditions that are now prevailing in the Communist-held areas, and that without briefing them, without indoctrinating them, that some personal approach be made to the students which helps them in their thinking at a time when I am sure it must be extremely difficult for a fellow who is trained to be a sanitary engineer or doctor or public servant, who may be truly a democrat with a small "d", thinking of what the possibilities are in the immediate future, to return to China and make the kind of contribution that he has had on his mind. I have no solution to the problem, but I assure you that I think it is one of the most immediate, and can be one of the most important, with which we are faced in this general field.

I think, Mr. Chairman, that I would like to leave this presentation at that point and leave those two major problems as those for which I frankly don't think we have solutions.

The CHAIRMAN. Thank you, Mr. Sargeant. Now there are two questions that Mr. Sargeant has posed. First, the usefulness, practicability and relevancy of the present information program, and secondly, the question of the



Chinese 4,000 students in this country. I suggest we separate those and take the discussion of the first question first. That is, what is the answer to the question as to the usefulness and practicability of our present information program. What do you gentlemen think about that? Mr. Fairbank.

Mr. FAIRBANK. Well, I assume there is very little question about an information program being needed, and, I am afraid my own mind is fairly closed, that it is absolutely essential and ought to be much larger than it has been. It has to grow slowly, you can't expand overnight with personnel and operations, but that should keep on expanding because it is lacking largely in all those operations.

As a country we approach Asia, it seems to me, with much more concern for economic and material and military matters, at which we are good, and much less concern than we ought to have for intellectual matters. I would like to raise a question as to the meaning of the term "clandestine." I would hope that would not mean MO or something more than OWI agencies during the war but more to the psychological warfare type of operation that is being put out, of comment which is prepared to be put out instead of just being drawn from the press.

Mr. SERGEANT. Actually my intent was to pose the whole problem. I didn't mean simply to suggest that you should put out a type of commentary that you and I might both know as of the psychological warfare kind. I am thinking specifically that you may have problems in China in which no statement made by a western democracy is going to carry conviction, yet statements ought to be made. Perhaps the statements should be actually attributed to a source other than the one which is preparing it. Perhaps the distribution should not be related to any government, whether western or eastern. Perhaps you would have to have a system of completely clandestine distribution, clandestine in the sense that the material is being distributed in areas in which its distribution is prohibited and for that reason must be done in ways which are not open ways. I really meant my question to refer to the whole gamut of activity.

Mr. FAIRBANK. If I may answer that directly, I would be rather loath to see that started without a good deal of preparation. It would seem to me most of that black propaganda during the war was quite ineffective except when it was geared up with wartime conditions and an army operating along with it, military controls, and so on, and some of that kind of thing could backfire much more than it would help us.

Mr. MURPHY. I feel strongly as Mr. Fairbank does that in peacetime black-gray programs are very dangerous and can very much boomerang against us. I believe that our programs should be restricted to what Mr. Sargeant said General Marshall referred to as truthful information. I agree very much with what was said this morning, that repetition is necessary, pounding it in, but I believe that it should be on none but a dignified basis; that is, we should not take the tone from the Communists, from either Russian or more recently the Chinese Communists. I agree with Mr. Sargeant that there can be, if clandestine means getting information into places where otherwise we couldn't get the information in there, that in that sense it can be clandestine but it should be restricted to straight information.

Mr. COLEGROVE. May I ask a question for a little further information. You mentioned Korea as one of our points where this sort of information is given from the nine stations. Do the broadcasting and most of the operations, are they in the hands of native Koreans who are working for the United States? If that is the case, how are those Koreans trained for this task? Do you train them in the United States or do you recruit them in Korea?

Mr. SERGEANT. The problem is of two kinds. First, there are a considerable group of productions which originate here stateside. For example, there are broadcasts which originate with the New York studios of our International Broadcasting Division on Korea. Often the master material is prepared by a central source section. It is in fact processed by people who have familiarity with Korea and the Korean language. I do not know how many of those at present are actually citizens of Korea rather than the United States. We used to have two members of that desk who were not United States citizens. Comparable material might be developed here in the United States as basic pamphlet information or motion-picture films and the sound track in the local language would in fact be processed here in many instances.

In addition to that, in Korea itself there will be a program of which the directing heads are Americans, United States citizens. You will have a considerably larger number of local Koreans there. Some of the Koreans have been trained



in the United States universities, came through our educational system, many others worked with the military authorities during occupation of Korea.

Mr. COLEGROVE. And as to libraries, are we doing anything with libraries like the Benjamin Franklin Library in Mexico City?

Mr. SARGEANT. You pick on the one library, the Benjamin Franklin Library, for which we have almost no duplicate. That is a very remarkable institution, built up now to about 25,000 volumes. But in the Far East we do have a number of information centers. They are libraries, they will run from two to seven or eight thousand volumes with current reference material on the United States. They will have from 60 to 150 different periodicals, carrying some of the news type like Life, Time, and so forth, down to the specialized ones, Architectural Forum, Journal of American Surgeons, and so forth. In Korea I think we are now maintaining approximately nine of those.

Mr. HEROD. I don't know whether any observations of my own in this connection would be of any value, but in this last 4 months I have been east of the iron curtain in Europe, trying to look out for some things, and we likewise had six of our men who finally got out of Russia within the last year, and my own observations in the countries in which I have been this last summer or this last few months, as well as their observations, and I have talked to several of them rather extensively, has been that in general the programs when they are heard are heard by a very small percentage of the people. To our true friends they are a confirmation, but as a proselytizing agency to make converts they have not been very effective. Secondly, insofar as facts and information handled with a certain amount of dignity are concerned, there seems to be a feeling that they have been constructive; insofar as they tend to become a propaganda instrument particularly identified with anti-Communist thoughts or showing up what we think is the true situation in the Communist countries and in the lies that they tell about us, they are discounted about 100 percent as being foreign stuff inspired by our own objectives and the agencies of propaganda within those countries are sufficient that they take precedence over anything that we can do.

I haven't had the pleasure of investigating it in Asia, because I haven't been in Asia now for a matter of almost a year, but in the Eastern Europe those are my observations, and our fellows that have been in Russia and have come out have had those observations.

Mr. VINACKE. Mr. Chairman, it seems to me that in this I think you have to make a little different breakdown than is represented simply by the use of the word "information" and then going into the classical media. You can have two types of information program, it seems to me, each of which is distinguishable from what might be called political warfare program. Two types of information program which may be called a passive information program or an active information program. In general terms that information type of program it seems to me is what we have tried to set up in countries where we started on the basis of some assurance of friendship, whereas political or what was, in my opinion, improperly called psychological warfare program is directed against those whom you want to influence in some direction and who are certain to view with suspicion what you say from the very start. It is comparatively easy to operate negatively, that is to say, passively an information program or frequently it is easy to get it set up. The Dutch, for instance, in Indonesia toward the end of the war were prepared to view with a good deal of sympathy the establishment of an information program provided it was to be understood that it would be passive in the sense that the United States would assemble materials in libraries, would make no effort to get any of those materials out of the libraries but would sit there waiting for people to come and inform themselves as to the United States. That sort of thing is what I would describe as passive information program.

The active program is apt to get you into contact with a good many more groups in the country, it is apt to be a good deal more difficult to operate, and it is apt to be, if successfully operated, a good deal more effective in getting a point of view from the United States into the community, but it demands a different type of set-up, a different type of skill, but neither the passive nor active program, it seems to me, is designed to serve the purpose in China at the present time or in many of the oriental countries. What is required there, it seems to me, is not information in the sense of giving to them an understanding or making available to the peoples an understanding of what is in American libraries or what we are viewing in the movies, and so on, but something that is pointed up and sharpened in relation to American political purposes in that area.



If that type of program is going to be operated successfully, it has to be operated in very close coordination with the political agencies of the American Government. For example, without wanting to speak too sharply from the standpoint of propaganda in China, the white paper was one of the most unfortunate documents, in my opinion, that could have been issued at this particular time because of the materials that it gives to the foreign propagandists and because there is no material in it that I can see that would be useful to the American propagandists trying to get support for American policy in China. I am not suggesting that the white paper should not have been issued, but I am raising a question as to whether there is a degree of coordination with respect to publications of that sort between the information agencies in the Department and the political agencies of the Department, so that the question is raised with respect to every move we make in advance of taking the move, "Is this move viewable in terms of propaganda value or propaganda advantage?" The answer may be that it is not, but it has to be made anyway. Then your propagandists have to make the best of it, but at least he hasn't been caught off base, he knows what he has got to deal with in terms of preparing the grounds of accepting policy and that is the basis of psychological warfare.

Mr. SARGEANT. I would be happy to comment on that. I would say this roughly, that Mr. Vinacke knows that he is posing a hypothetical question, because he went through this just as I have been through it. Actually there is a tremendous problem of coordinating information policies and program with what is generally described as political decisions. I think, frankly, over the last 2 years we have made more progress in this field than I thought we would. It is something our Advisory Commission on Information—including Mark Etheridge, Canham, Justin Miller, May, and others—have been interested in, but we still haven't reached that point, and unless there is a new technique of administration, frankly, we are not going to reach it, at which each decision, each formulation of policy is in fact subjected to the ideal test, to which Mr. Vinacke suggests it should be. I thoroughly agree with it, that it should be, but so far as I know no one has yet devised the administrative machinery for doing it. Dean Rusk and I were talking about this a couple weeks ago at lunch, and we agreed that although you might get a climate of understanding and support for it in an agency, we still weren't quite sure how you could accomplish it at all levels. We thought at first you had to work on certain control points. I think on control points we have done very well. I think you would be assured, Mr. Vinacke, of the progress that has been made.

Mr. REISCHAUER. I think this group would be in general agreement that a proposition of a program of some sort is needed and should be expanded. The problem is how to do it most effectively; in view of the great interest in China in rumors you might say it would be more effective to go in for underground information than above-board information. They might enjoy a rumor that tells a truth more than they do a straight news story.

The real point I want to bring up is the problem of the special place of the scholarly classes in the Far East, particularly in the area of China, Korea, Japan, the area affected by Chinese civilization. I do not know whether it applies to other areas of the Far East as much. If we exploit the special prestige position of the scholar, intellectual group in that area, it would seem to me that propaganda work, information aimed primarily at them would be most effective kind of information work. It might be advisable to try to put American professors in every university to the extent that universities can absorb them. I am sure there are many places in the Far East where they would like to have good American professors if we can get right in there. To what extent have we been bringing future intellectual leaders of that area to this country for extensive training? Japan affords an extreme case probably, but I think the situation there in intellectual classes, which are the key classes, is that they have asked for ideas and we have given them bread. They really would prefer the ideas in this case instead of the bread.

Mr. BUSS. I should like to ask Howland if he would tell us something about information programs from the standpoint of the operators.

Mr. GRONDAHL. I would rather have you define that a little bit more.

Mr. BUSS. What are problems, as you see it, of our information program in southeast Asia?

Mr. GRONDAHL. A very long discussion would be involved if we were going to go into all the problems. You mean in relation to the facilities for putting them out of relationship of the people we deal with or lack of funds?



The CHAIRMAN. I really think we had better not get off on that just at this moment.

Mr. GRONDAHL. I am a little bit worried that it might require 3 or 4 hours of discussion which this group could probably do little about.

The CHAIRMAN. If you don't mind, Mr. Buss?

Mr. BUSS. I have one other thought. I understood that was the problem that is being tossed to this group. Is that not the thing we are interested in, the problems of our United States Information Service in Asia? I went about in Korea and in the Philippines recently and I am very much impressed with a great many of the things that are being done, also with the things not being done. I should like to ask particularly what is being done in Japan, for instance.

Mr. SARGEANT. Of course, you know, Mr. Buss, that we have no program as the State Department in Japan. That is an Army show, a military occupation one, just as Korea was until fairly recently. I think probably Teg can tell you something about the Japanese program, but it is not one for which my people have responsibility. Teg, can you add anything?

Mr. GRONDAHL. The Army program in Japan is somewhat like the USIE program in other areas of Asia, and they do a great deal more, of course, still in control of information and that sort of thing, but the same effort at exchange of persons is carried on and although it has not actually been in my field—it has been handled by another man apart from our Department—there is a good deal of coordination between the Army and the State Department on the upper levels, so that there is an exchange of ideas on what should be done. Of course, you all know that the Japanese situation is very different from other areas of the Far East, and General MacArthur is in a good deal of control.

Mr. BALLANTINE. Mr. Chairman, I would like to supplement something that Mr. Vinacke has said. I feel very strongly that one, if not the, most important items of content of our information message should be to convince the people of Asia that we are not going to use military strength, force, or our economic force to coerce them into ideas, into adopting a political, social, and economic pattern to our liking, not through those agencies, we are going to restrict ourselves to moral information, to suggestion and example. Of course, I don't want to be too unkind about this thing, but I think it might be rather difficult to do this in the light of some of the things that we have done in Japan and also in the light of some of the suggestions that emanate from this country, but I would think we could counteract these suggestions that come from this country by meeting that and saying, "Of course, some people in America suggest so-and-so, but that is not the feeling of the American people." I think it is to counteract that Soviet propaganda, that Soviet claim that we are forcing our imperialism upon those people of Asia—I don't know of anything that is more important to convince them of than that. I think we also ought to try to make it clear to them that when they realize the danger that they are facing from communism and feel that they must make sacrifices and must do something to meet it, to draw up, if and when they draw up programs of their own, economic and social, we will then see how we can fit into their programs, the ways that we can help because those programs involve choices that only they can make and we cannot make those choices for them. Therefore it is not up to us to initiate these programs for the uplifting of the Asian people.

Mr. TAYLOR. The subject is so big that it is difficult to know where to begin. I watched the development of the propaganda, that I insist upon calling it, the information program in the Department, with great interest during the last 2 or 3 years. I think, considering the difficulties that the Department has had to work through, that they have done an extremely good job, but having said that one can refer very specifically to the difficulties. They haven't had enough money and they haven't had enough policy. I know the problems of coordination are terrible but there has to be some, and it is better to have no information program at all than have one which is not to some extent linked with policy. I remember one time when the country was appealing for everyone to eat not more than two pieces of toast and the Department of Agriculture put on a pie-eating competition. That sort of lack of coordination is not so very good for a propagandist, and in thinking of China today obviously there is not much more you can do at the moment, I would say, than to hold the fort, than to establish—which I trust is established—to keep up its credibility. It is said that if you merely give a straight newscast that can be done. Anybody who is working in the business knows it is extremely difficult to get a straight news in the first place and to make it look straight when you get it out.



The problem of the propagandist is to state his case in terms of the other fellow's case and that is the most art of all. I think Mr. Fairbanks was talking about that to some extent yesterday, and it needs a great deal of work on material that doesn't look to the uninitiated always like propaganda, but if you are in the business of creating attitudes which lead to action, you have to decide what kind of action you want, and what kind of action do you want in China today? I don't know. What is our policy? Do we want the Chinese—you cannot create cleavages with propaganda but you can exploit them, make them bigger. You have to find out where they lie first. Do you want to increase any cleavage? Do you want to make them as unhappy as possible? What sort of action will make some groups turn away from the Government and other groups turn to other countries? What do you want? That has to be decided. I think at the moment that you are on the spot. You have no Chinese policy to speak of and not until you get one and decide what sort of action you want to create, to get moving, can you have a proper information policy. And so long as you are going on the miserable pittance you are working on now, I see no chance whatsoever of competing with our friends from the other side. If I were in the Kremlin, the first thing I would try to decide is what kind of war is the United States preparing for, and I would decide immediately that it was preparing for the last one.

The CHAIRMAN. The one before the last.

Mr. TAYLOR. They are not preparing for the war of ideas, and I would therefore fight the war of ideas and leave them with all their guns and B-36's and the rest of them, and let them get out of date. I would fight it on the word level. It seems to me we are not fighting it on that level. I don't think we should disarm—far from it—but for heaven's sake, let us arm ourselves with the best things we have. We have the best social science in this world, and the first job for the United States outfit, it seems to me, is to study. What is China today? Nothing like it used to be. What will it be under the Communists? We don't know how a system like this breaks down. We don't know how cleavages and lines run, and the chances of overthrowing it in my mind are almost negligible, but you can perhaps make it—perhaps if war should come you can perhaps do things with it. We have got to do things with it, but the first thing is to understand it and not to treat it as if it were a projection of American middle class, or a mirror of Americans. There is time to do that. You haven't got much money to do anything else with anyway, and there is time to study, to find out what your policy is and to devise the means through propaganda with which to implement it. Unless it is conceived of as an arm of policy and used that way it merely gets in your way.

Mr. MACNAUGHTON. I think it is time to call it a day.

Mr. FAIRBANK. Could I just support everything Mr. Taylor has said? I think it is very much on the beam and ought to be looked at with care. For the record, also, the line of anticommunism in Asia is not a very good line. It is a subjective projection of our own view. The main question, it is much better to be anti-Russian and a few other things to be anti. That is just an example of what Mr. Taylor was talking about.

The CHAIRMAN. Gentlemen, I think we have said all today we can say at this hour about this question of information. There remains the question of Chinese students, which Mr. Sargeant brought up. Do you want to take that up now for the next 15 minutes and discuss that question, or would you prefer to have that go over until tomorrow morning?

Mr. FAIRBANK. Tomorrow morning.

The CHAIRMAN. Tomorrow morning?

Mr. STALEY. What else have we for tomorrow morning?

The CHAIRMAN. There are a number of questions coming up, but I think if we run from 9 to 1:30 we can pretty well finish the schedule, and I don't think we need to spend a great deal of time on the Chinese student question.

Mr. BALLANTINE. If think if we all think over it overnight we will probably get all the answers right away.

The CHAIRMAN. Then tomorrow morning.

(The meeting was adjourned at 4:45 p. m.)

(October 8, 1949)

(The meeting was convened at 9:05 a. m.)

The CHAIRMAN (Ambassador JESSUP). May we begin? General Marshall is unable to be with us throughout the entire session this morning, so I am going



to give him an opportunity to say anything he would like to now at the outset of our discussion this morning.

General MARSHALL. I am not speaking formally when I tell you I have derived a great deal of information and satisfaction from listening to the discussion here. I should explain to you gentlemen that since last December I have been obtaining my information from the press and a white book and have not been briefed by the State Department, so my reactions, I would assume, would be very much the same as yours. There may be many things of which I am not aware between our Government and the Chinese Kuomintang Government, and between MacArthur and Japan and the State Department, and Indochina even and the Indonesian affair, with which I am familiar, the British and French particularly, and also with Australia and New Zealand. All those things come into the picture and are vitally concerned with what you are called upon to discuss here—for the State Department decision.

I was wondering driving in this morning just what would be the best line for me to take. I am a little embarrassed by reason of the fact that I have been debating intangibles both over there and over here. Dr. Fairbank and myself perspired together in Chungking; at least, he gave encouragement from time to time. I had a great deal to do with him in missionary fields; he and I picked up one of our greatest missionaries, I think, Dr. Stuart, over there.

(Discussion off the record.)

General MARSHALL. I was involved very heavily at the start, of course, with getting the Japanese out of the country; I had to get 3,000,000 out. I have been in Japan quite a little bit, before the war, just as I have been in the Philippines—as a matter of fact, I was in the tail end of the insurrections, the beginning of a building up of a basis for democratic government.

Now, the ordinary term, the "complexity" of the problem has been overused, but I have never known any problem that had so much complexity involved in it—because, you might say, the simplest part of it is the Chinese people themselves and the immediate situation in China—when you take the conditions in Japan; you take the situation in Indonesia; you take the situation in Indochina; you take the situation in India; then you introduce Pakistan just to help out a little bit; and then the British former economic, almost, domination in China, and the labor of the Labor Government to maintain itself and the reaction of the Conservatives against it, which affects what you are getting into; and the French with relation to Indochina; and then the Dutch in the western European compact, and then over in Indonesia in a sense doing something else; then Australia, very difficult, particularly difficult with respect to some special aspects which I won't name here.

I might say, not in the spirit of levity, the first week I was the Secretary of State, I was introduced to what was being made an international incident over one whaler going to the Antarctic—the Australian Ambassador came to see me three times in 4 days. To get a little off the center in this, I will say the issue was, MacArthur sent it down there to get some of the oils and fats they needed so much in Japan for various production purposes, and it was being resisted—the Japanese were defended before the war in their handling of their whaling industry—because no Japanese trade was to be permitted if it could be stopped. But there was no offer to pay what we were paying in Japan to keep the show going. So the variety of influences involved in this thing are just fantastic when you try to arrive at a sound basic decision.

Then, of course, you have your immediate action and then the longer view, and it is much easier to approach the longer view than the immediate action. In relation to the immediate action, I think we have to take this into consideration. I am going to ask you to pardon me for making military references because I am more familiar with them and when they furnish a parallel they are useful to me at the risk of boring you. But, at least to me, one of the great struggles of conducting the strategy in a large war is the political necessity for action as compared to the military necessity of making haste slowly. When you have a situation, to use as an example, like our channel crossing, we were over a year and a half getting ready for that. The great question was what did you do during the year and a half to keep the public quiet—the political leaders had to have some action. The dangerous factor was if you started action anywhere you immediately began with assurances of a minimum and ended up with a maximum, and something this and something that, and delayed your whole operation. I have been through all the agonies of that.

Now you have been confronted with that—the State Department has been—with the Chinese; they want action and they want it today, the political action.



That is the way a democracy goes and you cannot get away from it. There is no use in wrangling about it, that is a fact.

Now, at the same time, I must add that time is of vast importance in this affair; then, again, that goes to extremes. There is great danger of making the very serious error that I often think government departments make—I used to think the War Department made in the past—waiting until the situation built up against you and then you are on the defensive, and then move in. That is fatal. I always want to move in first. On the other hand, it is equally dangerous that the first doesn't get you in before it is the proper time to get in. So timing is a vital consideration in this.

Another thought that occurred to me, listening to your discussion, is the thought Governor Stassen made reference to, but I suggested the reference so I will take credit for it. A good many of the things I have heard proposed here, in my opinion, could not possibly be handled by our Congress.

Now, at the risk of appearing immodest, although I don't think it is anything to brag about, certainly up until recently I had the unenviable reputation of having been before more committees more times and more hours than any other person in America. [Laughter.] As a soldier, I speak not only of political but military and sociological considerations, and especially more recently of economic considerations. When I was turning over in my mind what I might say that would be helpful, and I have to be very careful because of my past responsibilities in connection with this matter—I am trying in a sense to get away from that—I arrived at what may seem to you a half-baked conclusion, that the best way would be to decide what is the idealistic solution.

Now, what is the idealistic solution to this business? After you have decided on that, we will mold that, trim it down and put it on a practical basis; there would be many amendments, many modifications, and some introductions. You have got to keep the idealistic in mind, there is the spiritual involved in this thing.

I have been tremendously impressed in our dealings with Turkey and Teheran, particularly in Turkey, with the effects of our missionary efforts and Roberts College in Turkey. That just meant everything to us in the associations we had with them in connection with the Soviet Union. I was very much interested in the resumption by the Methodist mission, I will call it the Methodist mission, for the reestablishment of schools around Teheran which the Government had taken over because that was erecting a barrier of a kind that is acceptable to the world and has great strength in the root it establishes. Of course, that takes a long time; you cannot put it up tomorrow and have it effective the day after tomorrow, but those considerations must be taken into account.

You have an immediate situation in China that is closely related to the current situation in Japan because of the economic factors involved. I am going to turn over to Japan for a minute because I think it is very much concerned in our relationship to China. Japan is costing us a great deal of money; that cannot go on indefinitely. We have established this operation in Western Europe and we have done it on the basis of its reaching a termination in 1952. I am speaking purely for myself, and without the intimate knowledge of what has occurred behind the scenes in the last 10 months, but it ought to be terminated in 1952. Part of the reason why they imply it cannot be terminated then comes from the opponents of the present appropriations, and part comes from the foreign fellows who naturally would like to see it prolonged beyond 1952, but you have got to stop somewhere. It is a very serious matter, not political generalization, that this Government remain strong, so there has to be a very definite limit. You get the man to a certain point and then he has to do, and he has to know he has to do.

When you come to this Japanese affair, you have a very serious affair on your hands which has to do with the question of trade between Japan and China—trade with the Communist government—and when we have General MacArthur out there, in a sense as head of the Japanese Government, certainly dominating the Japanese Government, I feel that we just cannot go on putting out large sums of money indefinitely into Japan. You have got this much smaller area into which we have poured many more Japanese; in other words, we have greatly increased the density of population there. There has been taken away from them Manchuria, with all of its rich contributions to the economy of the country, Korea, Formosa, and the general trade with China. We have increased the population very decidedly, reduced the area, and even involved their fishing rights in the Kurile Islands because of Russian problems of interference there, and that poses an economic problem of which I



would not attempt to predict the outcome. But I do know this—with the opposition we find further south in Australia, and possibly so long as the Dutch have a certain control in Indonesia, and the feeling is well understood with the Filipinos with regard to the Japanese—there has to be some outlet and some import-export, particularly import in raw materials and export of finished goods, in relation to Japan because that, I don't think, can go on indefinitely.

What we have to be so on our guard against is that we don't weaken ourselves economically so that the whole structure collapses. I am just as much opposed to sitting still and letting the world revolve around us; I am opposed naturally to that, but at the same time I am equally opposed to going along and dripping and dripping, it isn't dripping, it is bucketfuls and we find our own economic position in danger.

Now you are all pretty much familiar, I guess, with these factors. When you come back to the question of Chinese-Japanese trade, I certainly think it should be permitted. Mr. Herod commented that if you leave the businessman alone he probably will promote the business if you don't get in his way—I don't know what that does to the conceptions of the State Department, it is just my kind of thinking. Something of that kind has to be done.

I might say when I was talking about putting whatever policies were decided upon on a practical basis, I didn't mean that you submit to the practice of just not doing anything, we will say, or a good thing, because you think the other fellow is going to oppose it. Of course you will have opposition, opposition to practically everything that is put up, but I think we must be very careful that we don't produce a "must" situation unless it is a "must."

For example, to go back into the experiences I have had with Congress, take the war situation, the extension of the draft. Well, that was termed by the political leaders all around, by all parties, as being an absolute impossibility but it was a must. It could not be anything else, it was a must. We couldn't have everything we had dissolving in face of the world as it was. How did you go about to meet it? You have to do that, but you have to be careful. If it is a must, make clear to everybody it is a must and not a question of this judgment or that judgment. I don't think you can call the Japanese-Chinese trade exactly a must but it comes pretty close to being that. We are not going to go on forever providing the goods, the foods, and the money that has been necessary to keep Japan afloat, unless we are going to have a condition of riot, starvation, and things the American Government cannot tolerate within its control areas.

I have sort of indicated my thoughts at the moment, regarding the government proclaimed by the Chinese Communists, in saying there is a great question of timing involved in this thing on one side or the other—it is kind of a fine balance with the political pressures that are coming on. Also involved in that is the British attitude and the French attitude. I don't know what they are, I have not been in the conferences. I don't know how the pressures go, one way or another, and I am glad I don't know, but we have got to proceed very carefully and not be plunged by political momentary pressures into action that we may find later was highly inadvisable.

I will just interject for a moment some of my reactions at the time I was in China regarding these fellows that are at the head of the Chinese Communist government—Mao Tze-tung and Chou En-lai—and everybody, but those two I knew better than any of the rest. I had officers pretty much all over north China, along the Yangtze and in Manchuria, and I always felt that the reports I got were far better than those the Generalissimo received. He was being fooled time and again because the fellow would defend himself, if he withdrew in an ignominious fashion, he always made it a great battle with Russian tanks and Russian soldiers. The only thing they did not introduce was the Russian paratroops; they had everything else. I would find out from my people it was a patrol encounter, and that went on all the time. Always I was trying to find out anything you could put your finger on that was authentic as to the Soviet influence or Soviet help in all this; I never got anything except the influence of what I would call the spiritual, or something akin to that.

They had Soviet advisers in Yenan—I think they gave me the citizenship of Yenan once; I am not quite certain—but we had them too. But they were more closely in contact than our people. They made no pretense about being aloof from the Soviet Union; they had Stalin's picture and Lenin's picture over the theater there when they entertained me with a very finished performance of about 3 or 4 hours. (Discussion off the record.)



General MARSHALL. I never could get my hands on the thing. As I say, they had no reservation at all; they were Marxist Communists and bitterly resented implications that they were agrarian Communists of the new stripe. They were Marxist Communists. I remember Chou En-lai startled my wife—we had no place to go and had lunch with him—and he was telling her just what he was and that was it, and she had never heard anything like that before. They appealed to me to stop the procedure of dragging Stalin's painting through the street in the mud. They did not make any pretense of their association with the Communists of Russia; that was rather natural. They were Communists; they were Marxists, and that was the seat of all that development.

When it came to Soviet assistance at all, I never could get my hands on it. I was given all sorts of schedules but, in the opinion of all my advisers and Intelligence, they were not supporting them. Sometimes they were records of little conferences, but you could change a single sentence and change the whole impression of that particular affair. What did worry me more seriously than anything else was it seemed apparent to me that the Soviets were leaning over backward, except as to Dairen, in their attitude out there. Now, they were not supporting their treaty obligations, but there is a great difference between actually supporting the thing and just remaining quiescent. Well, they were remaining quiescent with their treaty agreement to support the Generalissimo's Government, but they went much farther than that. In connection with the railroad in Manchuria, where they had a right to 50 percent of the employees and the Kuomintang government was obligated to protect the railroad, it did not protect the railroad, and the Russians withdrew all of their railroad personnel. Well, as far as I could see, what they were preparing themselves for was a case before the United Nations, where they could appear as clean as the driven snow and we would have our hands muddied by every bit of propaganda they could put on it. I would probably be the particular lump of mud they would throw on it, and that worried me.

Now, I am not talking about the ravaging of Mukden. That was a booty transaction under their claim, just the same as we had it in parts of Europe, in the enemy countries. I am talking about the procedure that followed that under the treaty. I was always concerned, and I think it is still going to show up here when they get to this, that they will make a case that they sat back and gave the Generalissimo a wide sweep of opportunity and look at what has happened—the United States interfered and brought about this catastrophe. They could accomplish almost all their purposes by negative action. All they had to do was to abandon the dumps, leave them to fall into the hands of the other fellows. All they had to do was to make it impossible for the Nationalist Government to use the railroad, and yet not introduce any complications about the movements of Communist troops that were moving in and getting set up in Manchuria, we will say, for later action. But that worried me a great deal, and I think that is a consideration you have to have in mind here because I think you will hear from it later.

As to Formosa, I heard that discussed here at the table, and I am not in a position to discuss that. I would have to talk with the Department and find out what has happened, what is the precise situation, and what are the relationships we have had with the British, and so forth. I think that is a dangerous situation, in one sense, because Formosa lies in the general direction from Japan to the Philippines, and if it were taken over by infiltration, as it well might be, it might be very serious. I don't know what we will do about that.

I will say right now in connection with that, though I have been in accord with most of the comments that I have heard around the table as to the futility of military support at the present time, and the great importance of immediate economic considerations dominating part of the thing, as well as the sociological and the spiritual, that leads me to this thought: I don't know at all what the Department thinks about this. Certainly, they would have a very much more reasoned-out opinion; but it seemed to me, when I was listening to Governor Stassen's talk about establishing an American center in Bangkok, that the psychological focus for the United States in approaching this area, if it did through any such procedure, is the Philippines. I may be entirely wrong about this because I don't know enough of what is happening in the Philippines, or other aspects, and about Bangkok, too, for that matter, but all of the Far East looks on the Philippines as a manifestation of the square deal. We certainly went through with it there.

There was a great deal of propaganda about all the reservations we put into it, in the way of bases and things of that sort—and we ended up, I think, with practically keeping none of them. I don't know who did that. I think



we overdid that vastly in requirements, but meanwhile matters changed just as they did in the far southwest Pacific, the Admiralty Islands, and things of that sort, where ideas got boiled down to the practicality of peacetime.

But the Filipinos, of course, realize that their dependence for security rests very heavily on us. They, of themselves, would have a terrible time. But I am quite certain that if the people, say the have-nots of Indonesia, ask us for independence—the spirit of nationalism has been rapidly developing and all those people look to America as it relates to their action in the Philippines—it might be turned the other way: that we have come there and that we have got the Philippine Government under our domination.

I don't know, but I think there is great significance to our action in the Philippines which affects all those people. I have talked to some of the Philippine leaders and they have emphasized that pretty much to me. I am on dangerous ground now because I have not been fully enough informed, but that is my own reaction.

When I was thinking of Bangkok, I was thinking, just as I left as Secretary of State, the Soviets had established an embassy there with, I think, 50 persons in their little spot. So, they have a command post, as we say in the Army, already established in Bangkok. How wise it is for us to establish a post across the street, I don't know; but, with the data on hand, the State Department could tell you much more about that.

It is difficult for me to get into the general Asian picture because I don't know enough at the moment about the progression of events in Indonesia. Apparently right now it is headed along toward a desirable settlement, or it seems so from what I have read in the papers. If we can untwist that, with the Philippines right above it, and get Japan reasonably established so it does not burden us to death, you are beginning to get a front.

Now you turn over to Indochina. To be honest with you, my principal concern about Indochina after I got out of China—well, I will give you a little color. The very instant the war terminated in the Pacific and our Chinese divisions, that we had been responsible for training, got into Indochina, we had a strenuous demand from the French to get the American officers out of there. So, the first thing that happened the first week was to get every American officer, that had been advising these divisions, away from them. We had to do that and, moreover, there we were getting it from the French, and up north we were getting it from the Communists. It was twisted all over the place. One of our generals said "good morning" to somebody and that was reflected in all the papers as a hideous example of our duplicity. I am exaggerating a little bit. But he is an old friend of mine and I sympathize with him. So we began with that.

Then my next intimate contact with the affair—of course, I had heard quite a bit about China—was when we reached the problem of increasing the security of Western Europe. I found all the French troops of any quality were all out in Indochina, and I found the Dutch troops of any quality were out in Indonesia, and the one place they were not was in Western Europe. So, it left us in an extraordinarily weak position there because we just did not have anything there to make a front to the threats, the bluffing—I hope we can call it that—of the Soviet Union.

I don't know enough about the Indonesian question to comment on what I have heard here, and I might be very misleading if I did comment; so, I will refrain from that.

The general picture indicates to me what would seem to be more desirable is the slow build-up in the actions we take, not big things but many little things. Your greatest difficulty is keeping that out of the debates. The debates are essential to democracy, but they certainly can make you lots of trouble when you try to skate along this thin ice. You have the perimeter of the various affected countries with all the involvements, economic and sociological.

In that respect I would like to add it has seemed to me for quite a long time that we are in the midst of a world revolution and you cannot confine it to what you are thinking about in the Pacific. You have got to come back and think very carefully about Latin America, and when you talk about the absence of the middle class you put your finger right on Latin America, and that is much closer to home. That can affect us in the Far East because there is no doubt in my mind that there is a great sort of world revolution, and I think someone said here that the communistic factor was more or less of an incident but it was riding on that flood. Well, the actions we take, I think, have to be adapted somewhat to the fact that is the temper of people all over the world, of the have-nots as has been characterized here, and we cannot ignore that.



Thinking here hurriedly of what I have said, I don't think I have contributed anything in the way of a definite recommendation, but it is a very difficult thing to do unless you are pretty sure of all your factors. I have learned through dealing with big organizations that about the time I decide this must be done they come in and prove to me it just cannot possibly be done because I didn't understand this and I didn't understand that, and I find out it is so time after time; so, I have gotten rather sensitive about declaring myself. Maybe if I were political I would be a little bit more free-handed. [Laughter.] Without having the various factors—and there are so many in this—I believe in the end it is a fairly sensible selection to figure out what is your ideal, and then trim that down to its practical application, and with amendments it is pretty hard to recognize, but our Constitution was so established and it has done pretty well. I am sorry I have talked so long.

The CHAIRMAN. Thank you very much, Mr. Secretary. Do you object if anyone wishes to ask any questions?

General MARSHALL. Certainly not.

The CHAIRMAN. Are there any points which anyone would like to raise?

Mr. HEROD. I would like to ask the General one question, if he would care to indicate his own opinion of it. Do you feel that Mao Tze-tung and Chou En-lai would accept Moscow or Kremlin dictation when it went, against their own size-up of their advantage or the advantage of their own group?

General MARSHALL. Well, it would just be the wildest guess on that. I would say that it would depend on how seriously the decision affected their own thinking. I am rather inclined to think there would not be the same domination, but I would say that with a great many qualifications. They had always been behind that—the fact that the Soviet borders right on their state—and what the Soviet could do to help them if it chooses to denude itself to some extent, it can be done very quickly and that would always have an influence, the threat, not the threat so much as the offer to do this or do that, would have quite an important effect.

As to Chou En-lai, he is a very able negotiator. In a great deal of his negotiating with me—and I went to about 600 different meetings—he seemed to be really negotiating. There is a great difference between that and a man who has strict orders and can only do what he is ordered and nothing else. On the other hand, you would come to some things when it was quite evident that he was just speaking a piece. I know he several times brought me back from Yenan the statement from Mao Tze-tung that they were determined to establish a Marxist Communist regime in China but they realized that could not be done in a minute and felt it would have to pass through the American democratic procedure first on the way to the Marxist conception, but he would say that so often that it was reciting. I could see that. On the other hand, it got to the point with me that I virtually had to intercede with Mao Tze-tung to continue him in his position as negotiator, because it looked for a while that they would relieve him. They thought he compromised too much.

Mao Tze-tung I could not penetrate. That is a real iron curtain when you get there. We had some very frank talking but when he talked I didn't get anything from it at all; it was just talk. I was reminded of it very forcibly with Molotov at times. [Laughter.] Chou En-lai was a negotiator, and he made many more compromises.

Of course, there I would have to take into careful consideration that they undoubtedly felt that they could win politically and, therefore, if they could avoid the military effort, they were very much better off politically because they had discipline and indoctrination and they had a solid party; whereas they felt the Kuomintang was just an icing on the top and all its foundations of public support had become almost nonexistent or at least hostile, so if they could ever get the thing in the political arena they would win, and unless they were divided into separate groups and they brought them together as they thought they could, it would not have been so hard but a rather easy thing for the Communists to dominate the government. But they undoubtedly were after a peaceful settlement on political lines and then the turns the affair took, it ended up in a line that you are familiar with. I couldn't answer that any better than that.

The CHAIRMAN. Mr. Quigley.

Mr. QUIGLEY. General, was there any suggestion on their part, or on any part, of Russian participation at this stage of mediation?

General MARSHALL. On the part of Mao Tze-tung?

Mr. QUIGLEY. Yes.



General MARSHALL. No, no, not at all. I don't recall they ever made such a proposal. The record will show that because there was a stenographic record of all our conferences.

The CHAIRMAN. Mr. Colegrove.

Mr. COLEGROVE. Ambassador Jessup, may I ask General Marshall whether I heard him correctly to say that he actually did say that the unusual help that the United States is now giving the Philippines, especially with regard to food, should terminate about the year 1952?

General MARSHALL. No, you are confused, sir. You confused what I said about Western Europe in 1952; that is, the European recovery program. You said the Philippines—you mean Japan, I think.

Mr. COLEGROVE. Yes.

General MARSHALL. What I said was we could not continue that indefinitely because—I don't know what the amount is now. It was a billion a year.

(Discussion off the record.)

Mr. COLEGROVE. Your view is, then, that American aid to Japan should continue as long as it seems necessary to keep the population from starving—and getting on their feet industrially?

General MARSHALL. I would say so, but the qualification there is, "as long as it seems necessary," I would have to look at that through a magnifying glass because you just cannot continue this thing indefinitely. It just cannot be done. It cannot be done politically, for one thing, and it cannot be done economically, I think, for another.

The CHAIRMAN. Mr. Decker.

Mr. DECKER. General Marshall, it seems to me that one of the very serious political obstacles that we are going to meet in attempting a settlement with China; that is, political from the standpoint of sentiment in the United States, is that long period when we had the support of Chiang Kai-shek and he was the one hope of continuing China in the war. That was in our dark hour and we were very dependent on him, and what he represented, to keep China in line. Now, there is a moral situation involved there as well. I would like you to, if you can and if you will, comment on what the abandonment of Chiang Kai-shek is going to mean, what its significance may mean politically.

General MARSHALL. Well, I would say there that so far as I could see, we did our best in spite of action that ruined that best in its application to the situation. Throughout all of this procedure there was continuous pressure to eliminate Chiang Kai-shek, but no one ever suggested anyone could take his place; at least, they never made a suggestion to me, that made any impression on my mind, of a man who could handle the situation. It was a great problem and Dr. Stewart can talk to you more intimately on that than I can, to get him to move in a channel that was workable for the future.

I might say this, by way of partial explanation or what I have just been saying: You have the great moment of his career, I think about 1927, when he was a great inspiration, when the Nationalists came up from the south, the way these various things were handled, and then you go through a transition when these young military subordinates of his, that did such a fine job, had become corroded by long tenure of office without any opposition whatsoever, and the procedure lent itself to an exaggeration of weaknesses of such procedures in China more than almost any other country. It has just got worse and worse and worse, and it was very hard to realize sometimes that this man that we were dealing with, we will say in conversation, had been this other fellow when he was a young man not in civil office. So the Generalissimo had a great struggle because of his tenuous control of so many people and because they were in power, and "in power" with them meant everything. It meant your very existence so far as your financial and other manifestations were concerned.

The procedure that was agreed upon by this political consultative conference was accepted by all the various representatives of the various parties. Now, the great problem of the Generalissimo was to have that procedure carried out. When it came to that, it meant these officials of the Kuomintang had to give up their power—had to give up their incomes, in a large measure.

I read yesterday of the death of Hannegan, the former chairman of the Democratic National Committee. He came out to China and I asked him: "Did you ever know anybody in political life that gave up something unless he just had to?" He said, no, off-hand he couldn't think of anyone.

Well, here was a whole party being asked to give up the position they were in and admit a two-party procedure of government. Now, when I say "give-up"



you see, it differs from the ordinary two-party situation in this country, because the man held sort of a double office. He might be a general in the army but he is also, well, he is also the national committee which really determines laws, and he was enjoying the preferment of pay and everything of that sort.

(Discussion off the record.)

General MARSHALL. We do have the charge that he has gone through the war and endured long years of very pathetic support on our part, due to the fact that he only had a lifeline over the mountains. Following the war, a great deal was done in China to try to help the situation out in every conceivable way that was politically and financially possible. I think that is the best way I can answer your question.

Mr. DECKER. Thank you, sir.

The CHAIRMAN. Thank you very much, Mr. Secretary.

General MARSHALL. I apologize for running off.

The CHAIRMAN. Gentlemen, in the time which is left to us, with your permission what I would like to do would be to see if we can get your views rather specifically on a number of issues. I think all of them have been touched on in our discussions during the last 2 days but I think there are a number of them where it would be very helpful to sharpen up any views or conclusions which you have individually. That is what we particularly hope for and already have received to a very large extent out of this meeting—to get the value of your ideas and thinking on some of the issues which are pressing or will be pressing very shortly for decision and action.

I would like to suggest that we might have a few minutes taking up the question of the recognition of the Communist government in China. May I just mention a few of the factors as they confront the Department in connection with this, illustrating again what General Marshall said about the complexities of the issues that enter into the situation.

I think in some of the discussion of recognition there is some confusion between the short-term and long-term aspects. There is the question of whether you recognize the Communist government immediately on the one hand, on the other hand, there is the picture or the phantom of a duplication of the situation which existed with respect to the Soviet Union over a period of 15 years practically in which we said it did not exist when it did exist and you know the complications which arose from that.

In terms of the short-run picture you have the complication of the situation in the General Assembly of the United Nations and a great deal of speculation at Lake Success as to whether a Communist delegation will suddenly turn up at Lake Success and get into gate 5 early and sit down in the seat of the Chinese delegate and say, we are it. There are a lot of technical problems there as to how the General Assembly acts in terms of conflicting claimants to representation of a member state.

Mr. BRODIE. Mr. Secretary, don't we have a border patrol in this country any more? [Laughter.]

The CHAIRMAN. We have I think in connection with the recognition problem also a good many of the elements which we have discussed in connection with the business of trading with the Communist areas in terms of immediate action. You have also I think to weigh, as General Marshall pointed out, in other connections the attitudes of other governments and the effects on other governments of action by the United States. On the other hand, you have the possibility that a great many other states might recognize the Communist government and what would be the resulting position if the United States is one of a small minority which does not. On the other hand you may have many states withholding recognition and the question of the extension of recognition by the United States Government and its effect on thinking in southeast Asia, for instance, where communism seems to them to present a serious local problem is another fact.

I just want to throw out some of those points and to ask you to address yourselves for a short time to this problem of recognition.

Mr. EUGENE STALEY. Might I ask one question? A point that Mr. Butterworth made the other day seemed very interesting and important. I think some of us assumed there might be some difference as alternatives between de facto and de jure recognition but from what he said I gather it comes down to whether we go whole hog or not; that is, he indicated that the Chinese Communists would not play ball on any other basis but the full de jure recognition so that was really the only alternative open to us.

The CHAIRMAN. I think in terms of what we know about the Communist position it is true what we have had frequently in the past is a situation in



which by admitting certain authorities are de facto authorities in the area you can do business with them and we have operated through consular officers and so on. De facto basis with us involves a question of de jure recognition. It is indicated by the current Chinese Communist position that they are not ready to shift their attitude. They refuse to acknowledge representatives or foreign consular authorities on any basis on de facto basis in Shanghai—in that or any other place—and until the de jure recognition is extended they will continue their policy of discrimination. The latest is banning of newspapermen of any country that has not extended recognition, so I think we may be confronted there with a situation in which de facto recognition does not enable us to move forward the way we have in similar situations in other countries in the past.

Mr. COLEGROVE. Mr. Ambassador, it would be helpful to me personally if we could be briefed on the attitude on international law with reference to the de jure recognition and the de facto recognition and perhaps other situations which we might call modus vivendi—relying upon that address which Mr. Boland gave in New York, I believe, on the 19th of January this year, in which he said that our Government had come to the conclusion that Soviet Russia would not keep treaties and our only recourse was a day-to-day arrangement with Soviet Russia which would not be necessarily a long-term legal agreement but merely a day-to-day modus vivendi.

Now, presumably Russian-trained Communists in Communist China would follow somewhat the same tactics of the Kremlin. The point I am asking is this: Is it possible to have a modus vivendi for trade and communications with Communist China without giving either de facto or de jure recognition?

The CHAIRMAN. I think personally, Mr. Colegrove, the answer is the same as that question which Mr. Staley raised. They are not satisfied with half-way measures. It may be they will become so. I think the present indication is that they want all or nothing.

Mr. STALEY. They gave me to understand definitely that they wanted nothing but de jure recognition.

The CHAIRMAN. Mr. MacNaughton.

Mr. MACNAUGHTON. Sitting in this room arguing and listening, I think I would say we had come to a state of mind where we would recognize the Communist Government in China but General Marshall has been whispering in my ear for the last few days that a lot of things we were talking about now you cannot get the American public to take right now or the Congress to take and, therefore, the reasoning in a vacuum here among ourselves, facing a practical problem. I think the procedure would be to watch and wait.

The CHAIRMAN. Speaking as a representative of the American public in a particular area of the country, do you think recognition would go down in your area?

Mr. MACNAUGHTON. I think they would blow up.

Mr. BENJAMIN KIZER. As of today but what they will do tomorrow is another story.

Mr. WILLIAM R. HEROD. I would hazard a suggestion, Mr. Ambassador, that we should not recognize today because there is still civil war going on and the Communists have not got the machinery of state except in certain areas but I would be inclined to think we should prepare ourselves to recognize the fact that if they do obtain the machinery of state that then we should be prepared to recognize them.

I think it is rather amusing. We recognized Russia and Yugoslavia. We recognized everybody else. It has not been a question of Communists as Communists that has prevented our recognition. Much of it has been some of the despicable things some of the gangsters in some of the countries have done. I understand it took 26 years for the Russians to recognize us after our revolution. They did not recognize those terribly rebellious colonies until 1807. It did not do the Russians any good and it did not do us any good or any harm.

I would suggest that we watch the situation daily and if and when the Nationalists lose control completely and the Communists attain the position of having machinery of state that we at that time accord them recognition unless in the meantime there has been some other factor.

I think you have to take this present situation that there is a definite rejection by the Chinese people of the Nationalists independent of any Russian connection whatsoever. The military figures cited by Colonel McCann the other day indicated at the end of the war the Nationalists had the armies, the equipment, and they had the facilities. Today the preponderance has entirely shifted.

My own experiences in China since the war have indicated that the Chinese people, with whom I have had very many contacts, even though not Commu-



nists, are so fed up with the former Nationalist regime that they definitely want that out no matter what happens and I don't think we should be hitching our wagon to a descending star on any ideological basis. I think we have to be right and practical people—

FROM THE FLOOR. Hear! Hear!

Mr. MURPHY. I strongly second Mr. Herod's remarks about the attitude of the Chinese people toward the Nationalist Government and to the present Communist group but with regard to the United Nations, the most frequently attributed reason for the failure of the League of Nations was the interference of Britain and France in the critical years of the League—the making of the League an instrument of their private policy.

With respect to the United Nations, there is no doubt in my mind that the Russians have weakened the United Nations by following in general the procedure that was attributed to Britain and France with respect to the League of Nations. Therefore, I think that however inconvenient in the Council and in the Assembly the presence of Chinese Communist members may be, I think we have to take our chances when the time comes.

Mr. HAROLD VINACKE. I would like to associate myself with what Mr. Herod said but I would like to put a further proposition in there. I think under the present circumstances it is very important that if we are going to follow the policy of the recognition whenever the civil war is over, that that should be made very clear at the present time rather than waiting without any indication as to the circumstances under which we will or will not recognize. I think that is very important domestically and in the preparing around. I think we have to recognize the Chinese Communist Government on the assumptions just set forth and I think it is equally important in the attempt to influence a full movement in the Far East either in connection with this or other questions that may arise. We are in a position at the present time where as far as immediate recognition is concerned, there are all the advantages of immediate recognition having been secured by the Soviet Union. All we can now do is avoid getting ourselves in the position where whatever we do is thrown back at us as something we have been forced to do rather than something we attempted to do in terms of principles as we ourselves established the principle.

The part of the principle it seems to me is when we have recognized or when we are prepared to recognize, we should expect the Chinese Communist Party to show a willingness to meet the ordinary tests of government in the treatment of nationals of other states or territories they have under their control. I think those things should be put in a definite statement of policy with respect to recognition when it occurs.

Mr. JOHN W. DECKER. I would associate myself with those favoring recognition although I want to say something about timing. That recognition would rest on the fundamental fact of the importance of the Chinese people in the world—our historical relation to them and the fact—and this is the central fact—that the Chinese people have repudiated the Nationalist Government. That repudiation is a fact that is at least 5 years old at the present time. We have just begun to see it.

Some questions are raised in my mind about the existing Nationalist Government which was our wartime ally and friend and the question of what it would mean for that government as long as it holds on to a substantial part of China. That is a question of timing. I think a rejection to the present Nationalist Government would make your present political problem considerably more difficult.

Mr. NATHANIEL PEFFER. I would also make it a matter of timing and I would wait. I would wait 4 weeks or 5 or 6 weeks. I don't know when the Communists will get to Canton, but I would guess not over 6 or 7 weeks. The only other Chinese regime will be in Formosa which is, at least technically, not Chinese territory. It is still Japanese.

Another matter. Tell me, is not the burden of proving on those who don't want to recognize? The Communists are there. They are going to take 20, 30, 40 years. Who knows? What do you lose by recognizing? What do you gain by not recognizing? The only really serious thing I suppose is what Ambassador Jessup has said, that sometime soon Chou En-lai will sneak into Lake Success before Dr. Tsiang and take a seat in the General Council. What about it? What can Chou En-lai do to embarrass Ambassador Jessup that Vishinski cannot do better? He vetoes on the Council. What about it. One is enough, isn't it, for technical purposes? They have one, haven't they, and suppose they do gang up and by some miracle get a third on their support—we have one too. Tell me, what is there to be lost?



Now, the argument against it. There is a great deal to be said for General Marshall's very mellow and very wise recognition that there is an American public opinion. I think there might be an amendment to that. Let us say that there is an American Congress—and I don't know that they are synonymous—and suppose it is true the State of Oregon blows up. Well, it will settle. Is it not a very dangerous principle now when the world is as tense as it is that we are going to surrender by default to the guy who is the best lobbyist and does the best propaganda, even when surrendering by default is against the best judgment of those who know most about it? Haven't we a lesson on that?

This is no secret state. The people professionally engaged about the Far East, diplomatic, military, journalistic, scholarly, commerce—and I think Mr. Herod, the businessman, will bear that out—have all known for 2 or 3 years—certainly for 2 years that what we were doing in China had not the slightest basis in sense, fact, or reality—not the slightest, and yet the people in the building in which are now sitting—if they had not had their way in accordance with their best judgment, there would have been no difference whatever except about a billion and a half which we would have had which we haven't got.

We gave them what help we could morally and otherwise—presumably in a moral obligation—and they sank. If we had not given it to them they would have sunk too. It would have made a difference of 4, 5, or 6 weeks. Are we going to go along against our better judgment because momentarily Portland, Seattle, Chicago, and one building in Rockwell Center—you know what I mean—lifetime fortunes—because they will blow up. Let them blow. After all, democracy does not mean a surrender at once, does it? There is no real argument against real recognition except that a lot of people are going to blow up.

If this country—the most powerful in the world at the most dangerous time in the world—is at a stage in which the Government is hog-tied against its better judgment because some people are going to blow up, then God alone help the Republic. That is all. [Applause.]

MR. ARTHUR HOLCOMB. I go along with those who have spoken and I guess most of us do—perhaps all—on the question of recognition and the question of timing and I take it that most of those who have spoken would also add that since to get exactly the right time is exceedingly difficult, it is better to be too early than too late. At any rate, that would be my view. It seems to me the reluctance to face that issue springs from misgivings respecting the political situation. My belief is that those misgivings are exaggerated.

I think we have been very fortunate in the start that has already been made in preparing the public for an honest reappraisal of the situation. The publication of the white paper which came out was a shock to many of the public at the time. At the same time it was an exceedingly wise and fortunate and well-timed move: Honest confession is good for the soul and that goes for nations as well as individuals and I think our people are in a much better position to understand and to support the next step because of the candor and courage which the Government showed in showing its hand at the time when it did.

Of course there will be a good deal made by critics of the Government of the opportunity for criticism but I believe the public, once convinced that it is being treated honestly by people in power—and they should be easily convinced of that—I believe the public would follow and that the difficulties growing out of domestic politics will prove to be much less serious than has been apprehended. The white paper is a good beginning and if the administration follows in the same spirit, timing moves as best it can, I think it will get public support. I am sure it will in my section of the country.

MR. ARTHUR COONS. I should like to inquire whether it is thought a matter of practicality to utilize the suggestion of Mr. Vinacke that our recognition of the Chinese Communist Government should proceed at a time or after there shall be evidence on their part that they are accepting the standards of any government that behaves within the society of nations. To what extent is the question of recognition, sir, a matter of negotiation or are we so over the barrel that we either have to do or not do it? I am interested in that angle of the question because it seems to me—although I associate myself with the view we shall recognize them sooner or later—maybe they realize that and maybe they realize that we will do it sooner or later and, therefore, they will not be party to any negotiation.

How practical is that aspect and I should wish we could get recognition of certain historic treaties. Is it too much to ask this question?



The CHAIRMAN. Very briefly, as you know, the whole history of our recognition policy has been one of fluctuation if you take the entire period of the country. The outstanding position of the Department on recognition ties in particularly with two things; first, it is a question of view as to whether it is the government of the country running it; second, if it is the government will to carry out international obligations. Those are the two key points I think in our standing recognition policy.

Mr. COONS. May I ask another question? After a considerable time yesterday we were talking about the desirability of allowing trade to proceed with the Communist areas of China. Let us say we will, from the standpoint of timing, withhold recognition of China's Communist government for matters of weeks or months. In the meanwhile is it possible for us to have a policy? Is there any practicality in allowing a *laissez faire* relationship with American trade and vis-à-vis those areas under control of the Chinese Communists, or does that also seem to be tied up with the question of political recognition? This ties back a little bit with the *modus vivendi* of Mr. Colegrove.

The CHAIRMAN. On that, if I may express a personal opinion—the question of trade is not now, with the matter of recognition, following the line discussed yesterday of permitting business to trade. That can be done with an unrecognized as well as a recognized area.

Mr. J. W. BALLANTINE. I would like to raise a small voice toward putting a brake on this band wagon. I think we need to recognize facts. We cannot get away from facts but I do think that if we are confronted with a dilemma here—if we immediately accept the idea that we have to recognize right away or feel we have to jump before we are forced into jumping, I think that we lose a great deal of bargaining power. We lose an opportunity to get conditions we want. The Soviet bloc has blocked the admission into the United Nations of a number of states.

I think there is a good deal of room for interpretation as to what constitutes the Communists having an effective government in all China. There is room for interpretation as to our judgment as to their ability to carry out international obligations and I don't think that we should make any statement or make any public announcement at this time as a sort of preparatory step toward getting into this thing because then we will be open immediately to the charge we have further prejudiced the position of the Nationalist Government of China and that we have contributed to their downfall. I think that the more that we can keep people guessing—the more we can still make them believe that there is a possibility there—the better terms we are going to get and that is a point we should consider in this picture.

The CHAIRMAN. Mr. Lattimore.

Mr. LATTIMORE. Mr. Chairman, I think I am definitely encouraged by the evident trend this morning which shows that we should proceed from facts rather than from subjective attitudes. I hope the Department feels its hand strengthened but if we, representing the different points of view that we do represent, are to be of any service to the Department, it seems to me that we should come back once more, more closely to the point raised by General Marshall that timing is all important in what you can get through the necessary and basically desirable process of debate. And I think that while the recent speakers have all spoken directly to the point of China, we should look a little more widely and take in the rest of Asia as well, and the relationship of politics and prestige in the whole of Asia to the process by which policy is formulated, debated and put into effect in this country. It seems to me there is a sort of scissors diagram here. On the one side domestically in the United States, we have a situation in which one of the most important political maneuvering devices is that each of the two great parties feels continuously under pressure to demonstrate to the Nation as a whole that it is not less anti-Russian and anti-Communist and antiappeasement than the other great party. Therefore, the party which controls the administration must present any policies they advocate in such a manner as to expose itself to the minimum to the charge of appeasement.

The other blade of the scissors tends to get neglected. What is likely to be the reaction in other countries in Asia to American speed or American delay in recognizing what almost all of us here appear to recognize as the facts of life in China? I think under the nineteenth century standards of international prestige that the time of your willingness to recognize a new state was extremely important. I think since the two World Wars, those standards of prestige have changed somewhat. We have to face the fact not only in Asia but throughout the world that what has happened in China is regarded as a set-back to American



policy and the diminution of American prestige. The question is how to minimize that. Overhaste in recognizing the new situation might indicate panic, indicate to people in Asia that we have been panicked into a big over-all retreat and that would certainly draw in with criticism in the Congress and in the press in this country. On the other hand, too much delay might have a deteriorating effect on our prestige in Asia that in the long run would be more damaging to us because there would be the feeling that while a new situation has developed and in spite of the fact, as Mr. Peffer cogently pointed out, that that doesn't really alter the mechanics of how we handle things in the United Nations, for instance, the veto ratio is changed but the veto situation is not changed; in spite of that fact the Americans appear to be so baffled that they don't know what to do. We give the impression of being thrown off balance, flustered, having lost our heads, incapable of facing a surrogate Vishinsky in addition to the original Vishinsky, and that, I think, would be a very bad situation for us to handle.

In this connection I should like to speak on the point on which I should be more carefully briefed than I am, but I should like to put forward the suggestion that we have missed one important opportunity which could have enabled us to ease the general situation in our favor. Before the recent United Nations meeting opened, the Secretary General, Trygve Lie, referred to a list of nations coming up for admission and said that, in his opinion, this particular list should be admitted. By and large, that is the list that has brought a division each time—we reject certain applications and the Russians reject certain applications. As the list now stands, it is slightly in our favor. I think that if we had indicated a willingness to admit the whole slate if the Russians would also admit the whole slate, we would have been much better off. The list would have included completely satellite Communist-dominated countries like Outer Mongolia, the Mongolian people's republic, but there is a Soviet satellite that has been in existence for a long time and has not particularly changed the balance between Russia and ourselves in any way, and the willingness to admit such countries would have been a willingness to recognize existing facts without any loss of prestige on our part. If we had taken a list such as this, then we would have been greatly strengthened in being deliberate about recognition of the new regime in China because we would then be clearly on the record that we were advocating an oppositely ideological position, that our position was related to changing facts in the structure of the world as well as to our own particular ideological preferences.

In view of that, couldn't we consider the desirability of an American approach to the problem of recognizing the new regime in China that would throw other things into the bargain as well as this particular problem. It is very much like the old technique of buying curios in Peking. There is some one thing that you particularly want, the dealer knows you want it and he puts on it a price higher than you are willing to pay. The way you get it is to buy not only that thing but a number of other things, then you make a lump price and he cuts his price somewhat and you come up somewhat; eventually you get what you really want and he gets what he really wants for that main object, but neither person has lost face because he says, "Well, I got a lot more than some of those things were worth," and you say to yourself, "Well, I paid a little more for these things but that didn't matter, look at this one real thing, that was a bargain," so everyone is satisfied.

Therefore couldn't we couple recognizing the new regime in China with a number of positive steps in Asia as a whole, showing American initiative and desire to get things done in the improvement of various situations, such as those in Indochina and Indonesia, possibly Burma, whatever we can do in India and Pakistan, to show that the United States is not against changes in the status quo as such, but on the contrary is anxious to get the most progressive and liberal settlement possible, and that the United States stops short of wanting to aid or encourage the development of communism but is eager to promote alternatives which are acceptable to the maximum number of people in Asia and Europe. If we could handle the question of China in that wider context of an active American policy elsewhere in Asia, it seems to me that we could do a great deal to retrieve the prestige situation and consolidate the actual power situation.

The CHAIRMAN. Mr. Talbot.

Mr. TALBOT. I merely wanted to ask a question as to what the relations may be between this question of recognition of China, the Chinese Communist regime, and the Japanese peace treaty.

The CHAIRMAN. I am not quite sure that I understand your point.



Mr. TALBOT. I am sorry. I was wondering whether the negotiation of a Japanese peace treaty would be materially affected by the question of whether or not we recognize, before negotiating that peace treaty, the Communist regime in China.

The CHAIRMAN. Could we hold that a minute until I go through my list, and come back to your question? Mr. Herod.

Mr. HEROD. Mr. Ambassador, may I make just one comment which I think may be constructive. The statement was made that, independent of recognition, trade could go on. That statement is probably correct. On the other hand, I don't think that this group wants to minimize that without recognition the effort which will be exerted by American traders will be fraught with additional uncertainties as a result of which trade will not be as great, and certainly there will be less credit, and certainly there will be less investment, and certainly there will be more uncertainty from the trader standpoint as to what the American attitude will be, which with export licenses and the ability of the American Government to prevent your shipping for some reason, that they will pull out due to the political situation domestically, is a factor at the present time.

The CHAIRMAN. I hoped we might conclude our discussion on this recognition question before our recess, but I have already got six more names on my list and I am going to suggest, therefore, that we take a 10 minute recess and come back to it with fresh vigor.

(After the recess, the meeting continued.)

The CHAIRMAN. May we come to order. Mr. Robertson.

Mr. ROBERTSON. Mr. Ambassador, I'd like to associate myself with Mr. Herod in this question of recognition. I agree that the question of timing is of the utmost importance. Dr. Fairbank said yesterday that he thought the value of direct contacts with people who had been in these parts would be of interest and valuable to the committee. We have in China, as our chief executive, a man named Paul Hopkins, who is known, I think, to a good many of the people here. I think while his chief interest, of course, lies in us, I am quite sure from my knowledge of him that he is a good, loyal, and patriotic American, and he has no particular reason to like the Communists. If I may, I would like to read to you, confidentially, from a letter which I got from him under date of September 21, which gives something of his experience in dealing with the Communists in connection with our own business. I thought it might be illuminating if that sort of thing might be put in the record.

After talking about our own affairs, he says:

"The authorities are all significantly honest, hard-working individuals, who live on the barest essentials of food and clothing. They practice austerity to the point of not using electric fans or elevators in the buildings which they occupy as offices or residences. In my opinion, the extreme privation of these officers will have serious effect upon their health, particularly those with tubercular tendencies. I have found them all intelligent, very frank in discussing problems, and most of them with a good sense of humor.

"There is no question but that it is a new type of people who, if not subject to outside pressure, will ultimately bring great progress to China.

"To my mind, the pessimistic future stems from the increasing breach which has developed between China and America. There are arguments on both sides, but, in my opinion, the passage of time has seemed to confuse the issue and eliminate realistic thinking which bodes ill for everyone. I may be too close to the picture and have lost perspective. The almost daily bombing activity of the KMT, and the increased miseries caused the Chinese people by those activities against nonmilitary objectives constantly irritate an open sore. Grant it be un-Anglo-Saxon to deny an ex-war partner, but evidence would seem adequate that that partner has for several years served its people so ill that it has been rejected by its own people. America is now contributing indirectly to the miseries of those people. Recognition should be withdrawn and the blockade of the coast broken."

I thought that might be useful to the committee as the evidence from people, from one man who is particularly competent to judge the Chinese situation due to the fact he was born in China, he is the son of a medical missionary, and, as I say, he has no reason to love the Communists. He applied for an exit visa some time ago to come back and visit his people—he had been interned during the Japanese war. It was denied him and it was only after we arranged to have somebody else take his place as a hostage that they finally consented to let him go and that with the understanding he was going back again inside of 6 months. So, as I say, he has no particular reason to love the Communists and I think this is good ex parte evidence.



The CHAIRMAN. Thank you very much. Mr. Rosinger.

Mr. ROSINGER. I'd like to associate myself with the view frequently expressed around this table that we should extend recognition. My own personal feeling is that the recognition should come as early as possible. At the same time, I recognize that within this country there are certain practical problems to be faced politically in this connection. The question of timing has been referred to frequently; I think that is extremely important. I think there is a period, it is hard to define in advance, but a period of perhaps 3, 6, maybe 9 months, in which recognition by the United States will have a certain value in terms of Chinese opinion and will not simply be a reluctant, grudging following after the facts and after the actions of other countries which will have recognized before us. I would not agree with the statement that with recognition of the new Chinese Government by Russia all the advantages of recognition are lost to other countries. I think that is not so, and the reason why I state this opinion is that I think we have to look at the state of Chinese public opinion. As I see it, the bulk of politically conscious Chinese opinion is not to the extent that it is hostile to the United States, hostile because it is pro-Russian; its anti-Americanism is not pro-Sovietism, by and large, regardless of what the situation may be in connection with particular individuals or leaders.

As I see it, Chinese public opinion, politically conscious public opinion, is not by and large hostile to individual Americans, regardless of particular incidents, it is not by and large hostile to the United States as a country, but rather hostile on rather pragmatic grounds to particular phases of American policy as experienced and perceived in China over the past few years. If that is so, then there is a stake to be won in considering this state of Chinese public opinion. If it is not now, by and large, pro-Russian in its anti-Americanism, then there is a much more favorable basis for returning it to some kind of friendly attitude toward the United States than if, let's say, its anti-Americanism were identical with a pro-Soviet approach.

I might add as a footnote that I think that in a country of 450 million people such as China, in which only a small percentage of the population, even the politically conscious, have a clear-cut, fixed ideology, that this question of how people feel on grounds of personal reaction to the policy of a foreign power, in this case the United States, is very important. I, personally, as I have suggested, would be in favor of recognizing at the earliest feasible moment. I think, though, that in terms of preparing American public opinion for recognition, there is a process of disentanglement from the Chinese Nationalists which can be carried out in the weeks ahead, and I think to the extent that we disentangle ourselves from the Chinese Nationalists, we lay the basis for recognition.

As a matter of fact, if we were to recognize today, assuming that were possible, we would be in a highly contradictory situation of recognizing at the time that we were delivering through ECA supplies to Formosa, and so on. We have not yet cleared ourselves from the entanglement with the Nationalists. I'd like to suggest, although I am not informed on the technical questions, problems of carrying out some of these actions, that we end our ECA assistance as soon as possible to the remnants of the Chinese Nationalists. I'd like to suggest that one important question would be the position we take at the United Nations in connection with the resolutions or the proposals of the Chinese Nationalists. I think to the extent that we associate ourselves at the United Nations with their position, we make it very difficult to move toward recognition. I would be in favor of keeping ourselves as clear as possible from association with the Chinese Nationalist position at the United Nations. I think the question of the blockade is extremely important. I was particularly interested in the phrase from the letter of Mr. Hopkins, just read by Mr. Robertson, to the effect that we should actively break the blockade. Regardless of the phrase that is used, I think it is rather obvious that the blockade could not continue if the United States and Britain took an active position against it. The blockade, let's say, arose independently of our will, but its continuance is dependent on the assumption of a certain position of acquiescence on our part.

In this connection, I have been struck by the whole issue of the Isbrandtsen ships, in the stopping and seizure of two of them by the Chinese Nationalists. It seems to me that one of the questions that are most easily understood by the American public and not just recently but all the way back, is the question of the right of American ships to trade freely in various parts of the world. Had action been taken—again I won't try to define it, I don't know the technical details—but had action been taken to defend the right of these American ships to trade through a blockade, which is not a blockade but technically a port closure, a port course which we have already asserted we don't recognize



as a blockade, had action been taken to defend the right of these ships to go through, I think it would have been very difficult for any opponents of the process of moving toward recognition to say "this shall not be done," because this kind of action is highly intelligible to the broadest kind of American public opinion.

Therefore, I'd like to suggest, as a generalization, that the process of disentanglement be carried forward as rapidly as we can carry it forward, as a basis for preparing public opinion as a basis for early recognition.

The CHAIRMAN. Gentlemen, I hate to suggest any limitation on our discussion because it is extremely valuable and I think this morning has been very much to the point and extremely useful, but we do want to cover a number of other topics before we break up. I would suggest that, if we could proceed under informal, 5-minute rule and make our remarks as concentrated as possible, we can finish up this recognition question. I thought when I opened it we'd do it in half an hour—we have already spent a little over an hour on it—but I don't want to cut off the others who have indicated they want to speak. I would just ask their indulgence in winding it up quickly.

Mr. Staley.

Mr. STALEY. I will be very brief, Mr. Chairman, I just want to add a little information that may be of use on the question of public opinion. In general, the view that Mr. Herod first expressed, and expressed very ably, seems right to me, so I am not going to discuss that any more. But on whether public opinion will take it, I perhaps have been in a position to see a little bit of that recently better than some of the rest of you, because the World Affairs Council of Northern California has been planning its annual conference for December, which is to be on China policy, and we have been having some committee meetings prior to that and it gives us a little chance to see how people look at the thing. I can tell you better after next week end what their reaction will be on this sort of thing, because we are having sort of a preconference discussion of the agenda with a lot of them. But on what I have seen of people's reaction so far, and our area may be untypical because it is interested in international trade in the Pacific area more than most areas of the country, I wouldn't be quite so afraid of popular uprising as some people seem to be, if recognition were extended at the proper time and with the proper explanation of the reasons.

It seems to me in this connection that it might be valuable to get out at some point a statement that would make the points that our chairman mentioned about our traditional policy on recognition, before taking any final action here. I don't know just what the best technique would be, whether a direct statement or an inspired statement of some sort, but to get across to the public that traditionally the United States recognizes the regime that controls the country and shows indication of willingness and ability to live up to its international obligations. Let people kick that around for awhile and maybe that will prepare the way for the conclusion on the part of the public that the informed group represented here seems to be reaching.

One further note on the drift of public opinion in our area—as you know, Roger Lapham has recently returned from China where he was head of the ECA mission, and he is a former mayor of San Francisco. He gave a speech a couple of weeks ago out there before the Commonwealth Club, and everybody knows, of course, that he is completely unsympathetic to the Communists, but he came out rather directly and emphatically for recognition, going a good deal farther than most people have been going in speaking on the subject.

Subsequently, the World Trade Association of the San Francisco Chamber of Commerce considered in their executive committee, the four points that Roger Lapham had suggested in his speech, of which the fourth said that we will have to recognize the Chinese Communists, and they agreed with his views and passed them on to the San Francisco Chamber of Commerce which, I am informed, just recently has taken an official stand as a body supporting that general view. The four points that they agreed with, that Lapham put forth originally were:

1. To continue American private business with the Chinese, as far as it may be possible, in such a way as not to enhance to any dangerous degree the very limited war potential of the country.
2. To extend all possible help to American privately endowed enterprises—educational, medical and missionary—efforts being made to promote the continuance of the private support which these enterprises have received in the past.
3. To keep open our Embassy and consulates in China, staffing them with the ablest personnel procurable in order that we may pit our best capacities against the serious problems still to be faced.



4. The only practical way to keep the door open, as well as to listen and observe what goes on behind the bamboo curtain, is acceptance of the fact that we may soon have to recognize, in such areas as they control, the Communist government as the de facto government, and be prepared to recognize it whether we like it or not.

They went on to point out that we already recognize the Soviet Union and Yugoslavia and other countries whose regimes we don't particularly admire.

The CHAIRMAN. Mr. Reischauer.

Mr. REISCHAUER. The question has been brought up as to whether the recognition of China would have any influence on a peace treaty with Japan. I presume the question means if recognition of China should come before a peace treaty has been made with Japan, would that have an adverse influence on the negotiation of such a treaty. I personally feel it would have very little effect on it. Abstention by the Soviet Union from such a peace treaty would already break up its international character. The Soviet Union, if you had a veto system, would already have a veto; I cannot see why the addition of a Communist China to such a peace treaty would have a great influence. On the other hand, if you negotiated a peace treaty with a rump Kuomintang Government having membership at the table, I think it would only have an adverse influence on China. The Communists would be less likely to accept the results of that treaty. So, does that answer your question, Mr. Talbot? I don't think there is any reason for holding up recognition on that score. We seem to be in very general agreement about the desirability of recognizing the Communist government in China and recognizing it fairly soon. I should like to say, however, that I see no reason for unseemly haste in doing it; there is nothing dignified in jumping on the bandwagon in its last lap and I don't think we gain anything psychologically, in fact, I think we might lose psychologically by doing it in haste. We would be "panicked" as it were, at least that would be the interpretation on the part of the Chinese.

I'd like to offer one practical suggestion, would it be possible to act in conjunction with a country like India? I think that would make it more palatable to our own people and more palatable in Asia, if we took an attitude actually giving India a large part in determining the time, saying "you are a great Asiatic country, we want to be friendly with Asiatics, your decision on this is something that really influences our thinking, we would like to go along with you on the matter."

The CHAIRMAN. Mr. Colegrove.

Mr. COLEGROVE. Mr. Ambassador, I will keep within the 3-mile limit, I think, of your book on territorial waters.

At an early stage of the discussion on recognition, President Coons and Mr. Ballantine called attention to the fact that we must not lose the bargaining opportunity in recognition and I think it is very important to us that we should remember that. We are in a game of power politics, no matter what we may think we are doing and in power politics we should of course play for stakes.

In this connection it might be appropriate for the United States Government perhaps, in cooperation with England and India, to make a public statement as to our terms of recognition, even during negotiations over those terms.

It is rather odd in this conference that we have not mentioned, except on one occasion so far, the traditional American policy in the Far East and that traditional policy has been the open-door policy enunciated by Secretary John Hay and repeated again by Secretary of State Cordell Hull in negotiations with Japan before the Second World War.

Any bargaining with the Communist government or recognition it seems to me ought to include an attempt to get complete recognition of our old traditional policy on the open door.

While Chiang's government existed, we urged upon the Nationalist government the necessity for a real democratic form of government and not having a government that was controlled by one party like the Kuomintang. One reason probably why Chiang failed—one of the main reasons—was the fact that we tried to make him take Communists into his government. Why shouldn't we insist, in the new Communist government, that democracy is not promoted by a one-party government and that there should be many parties represented in the new Communist regime.

That of course is a propaganda point that we ought not to lose and I regret to see the light treatment that was made of the effects of recognition of the Chinese Communists within the United Nations. The General Assembly has become a great propaganda forum and the words spoken there are repeated



all over the world. Bringing the Chinese Communists into a seat in the United Nations would make us listen to a lot more Communist propaganda which was repeated widely throughout the globe.

Mr. BENJAMIN KIZER. Mr. Ambassador, I should like to second the suggestion made by Dr. Holcomb about the white paper. I have taken occasion to read it over and I find it a fascinating document, and it contains good material and good sections with some sandy strips, of course, in between. I suggest that it would be highly enlightening to the American people—because it is obvious none of our newspaper writers read it—to have that white paper reviewed briefly and in sections by a well-known publicist in magazine articles, independent of the State Department, so that some of the more fascinating parts of the document can be called to the attention of the American people who have not become acquainted with it—if we could do something to make our American people acquainted with it.

I should like to follow Mr. Lattimore with the suggestion to go on trading before recognition. I couldn't go as far as Dr. Holcomb's suggestion that they reform their government by recognizing various parties. That is a matter of scuttling recognition and introducing conflict where we should introduce agreement. I should be, on the contrary, inclined to any negotiation we should make that would lead toward relaxation of the iron curtain is desirable.

If we long withhold recognition we shall be contributing to an iron curtain between ourselves and China. Therefore, I would like to see that recognition come just as quickly as the facts of life reached by Congress and the American people permitted. The American people will rather quickly adapt themselves to it.

One thing further, and here I follow Mr. Robertson closely. I think we should make a public disavowal of the blockade Chiang Kai-shek is conducting with respect to China, and I would like to see that followed up at an early date with a withdrawal of recognition. It does seem to me that that bombing that he is doing is so heedless and so sacrificial of human life without any objective that the blockade is not a real blockade but a nuisance designed to hurt people he does not like and accomplishes no purpose for him; and if we withdraw recognition of him, or to a lesser degree repudiated the idea that we were associated with it, it would be to our advantage.

Mr. HAROLD S. QUIGLEY. I would like to join in the general support of the policy of recognition in accordance with the early precedents of the United States. I think the departures from those precedents we have tried by the use of [inaudible] recognition have not worked, and they would not work in this case. I think that recognition is essential to trade, because I doubt if the Chinese will trade without recognition; and, in view of the fact that China is there and there is no alternative in dealing with China than through this new government, it seems to me that we have no alternative.

With reference to the sentiment of the country, I have been quite surprised in my area of Minnesota at a shift of sentiment that has taken place within the last year or two. I think perhaps a vote which I took in my class in Far East politics last Monday is somewhat indicative of that shift. Mind you, there had been no propaganda from the instructor prior to the vote. A notice came out in the paper that day and so before beginning the day's discussion I said: "How many in this class [of about 36 students] would be in favor of recognition of the Communist government?" Nineteen raised their hands without considering. They just popped up. I said: "How many opposed?"—and I got six hands—and I said: "Is there any other way I can ask you what you think?" We had to assume the others did not know.

That is an astonishing thing to me, and it is partly due to a shift in the sentiment of the missionary people of this country. We are a great exporting area, as you know, of missionaries, and I suppose the Middle West is better informed on the Far East than it is on any other phase of our foreign policy; at least, what the conditions are that condition our foreign policy. So, I doubt if there would be a very serious explosion upon recognition if that were proposed in this country.

Governor STASSEN. Dr. Jessup, I might say first that I regret very much that I have not been able to sit through the entire conference. I made the greatest possible readjustment of my schedule when I received the invitation to be here, and I will address myself very concisely to the point now under discussion. Through the kind assistance of Dr. Talbot, I had some briefing of the discussion, particularly of General Marshall's able presentation this morning.

I stated on Thursday that I was opposed to recognition of the north government in China at this time and not at least for a question of a couple of years. I



want to go into that a little more thoroughly because at that time I stated a position on it.

My first comment is on some of the related discussion this morning that has been advanced along with recognition or steps we ought to take, which I say, frankly, to me could be best characterized as steps that would hasten the victory of the Communists in China and hasten the complete liquidation of the Nationalist Government. I think that would be the correct characterization of the related things that have been advanced along with recognition at the earliest possible date.

To me that would be a very sad mistake in our world policy. If we recognize the Communist government of China now, clearly that does mean we must at the same time not only withdraw recognition of the other government—the Nationalist Government—but that we must then join in affirmative action to throw the Nationalist Government out of the United Nations. There are no half-way measures on this. You cannot be recognizing a government in one way and then in the United Nations tribunal, in which we are a great leading nation, take a different position to that, nor should we possibly abstain. That would be a cowardly and weak position to take. So, we would then be in the position of going into the United Nations, with our great prestige, and throw out from that United Nations the representative of whatever you may wish to call them—the remnants of a former government that still has now, and I think will for some foreseeable time, the effective jurisdiction over one-third of the area of China and one-third of its people and that is continuing to put up some form of resistance to the Communist areas.

Now, to put ourselves in that position, in my mind, cannot be countenanced, and I might urge as I go forward, and respectfully submit, that there have been some implications that perhaps those that oppose recognition are trying to play the popular tune in America. That might be their motivation.

The great view of statesmanship is the contrary and difficult and unpopular course. I will not attempt to draw any cloak of statesmanship about me this morning or any other time, but I would modestly state that the steps that I took in the early days of opposition to Hitler and lend-lease and the whole question of isolation and world trade have not been popular courses at the time they were taken, particularly in my home part of the country, so that to the greatest degree it is possible. So, to the greatest degree it is possible, I approach these policies from the standpoint of what is right in the long view for our country and our ideals rather than what is the current popular view; in fact, I have such faith in democracy that if a policy is right then I am certain you can interpret it to the American people and convince the majority of them it is right and that it should be taken.

Going to the specifics of recognition, it seems to me that taking the affirmative stand of ejecting the Nationalist Government from the United Nations and placing in its stead the Communist government of the north would be a clear invitation to a disregard of our fundamental ideals and objectives in the world picture. Whatever else may be said about the Nationalist Government, it seems to me that there has been a greater measure of democracy, a greater measure of individual freedom, the right of free expression, of a free press, of the communication of news in that area than there has been in any of the Communist areas of the world.

I might project my views of the Communist government of north China. I believe that in the early stages they have brought some of those who are not Communists into leadership—some of those we might call moderates. In the early stages they will say to the American businessman: "If your country treats us better and recognizes us, that will facilitate your doing business here." However, you will find quite rapidly, as they consolidate their control over the country and as they introduce people into these industries and businesses who learn something about them, they will proceed to throw out the moderates from the government and will tighten up and possibly expropriate and take over the business, and that process will move forward steadily.

In saying that, I will anticipate that the pattern followed in Communist China will be the same as the Communist pattern in the Balkan area. I have a vivid recollection of a conference with President Benes of Czechoslovakia 2½ years ago, in which he stated that Czechoslovakia was cooperating with the Soviet Union. He thought it was the best policy and that they were seeking to build a bridge between East and West and had pledged cooperation with Stalin, and he thought it was the right policy for his country and that Stalin had pledged to him that Czechoslovakia could work out its solution in the broad democratic framework.



I think it is quite clear now that approach was used to Benes and other people of Czechoslovakia as a means of getting control, first of the police and of the Department of Industries and then getting the men into the various industries and then working on week after week and month after month to obliterate human rights and control over the country and bring it under iron-handed dictatorship. The record in Poland has been similar to that.

If that effort is made in China, I believe you will find then disaffection of some of the generals in the Communist armies of China which will have to be met by rapid liquidation and new leaders being placed in, or it might involve a real split-up and further division with that vast area of China in its leadership. This process, as I vision it, while the armies are in being and still moving about, would take place within the next few years, and I would think it would be to be regretted if we added to the prestige of the Communist government of China and then a process of this kind began to take place and we in fact would be in the position of always strengthening the hand of the new Communist government, which would be successively wiping out the liberties, freedoms, and opportunities of the Chinese people and would be putting down the efforts of those who wanted some nationalism in China and who wanted some independence and who were breaking away from the Communist leadership; in fact, help them put down that situation.

In my mind the pluses are very large on the side of either saying "try having it as a reserve policy that we want to watch this picture for a couple of years before we recognize the Communist government of China." We may well find that, just as the experts' anticipations have been unfounded so many times in China, the anticipation and prediction now that the Communist armies can consolidate all China on their own timetable may meet many a reverse in some of the mountain passés by some of the troops who begin to defend their own territory as compared with defending an area far away from home.

Nobody knows the frailties of the human race. Chiang Kai-shek in more recent months and years has been an unfortunate conclusion of what in many respects was a brilliant and remarkable career. Who knows but that Chiang at his age may pass from the picture and others may rise to the future in the uncertain period of a few years and that in that we might find grounds perhaps, first, for a withdrawal of the full powers of the Nationalist Government in the United Nations, and perhaps even a request for a United Nations commission to study the situation in China; that we might thereby gain time and we might serve notice we are observing what the new government is doing in the matter of observing the recognized international amities and how it is treating American businessmen and others who are there and missionaries and how it is going about the abrogation of international obligations before we move in to recognize and to urge their seating in the United Nations.

I regret that I have not heard in detail the other arguments; but just what could be gained in that kind of picture by a rapid recognition I cannot evaluate as a counterbalance, but it seems to me the great weight of strength would be at some period in which you can look at it and then perhaps assemble a group of men such as this to reevaluate such a situation; and, on the matter of moving away from Russian dominance, let the question of the independence of this area and their not being under any other nation's control be one of the factors we are studying and it is known we are studying it.

Certainly the situation as to Tito was no indication that you move people away from the Soviet Union by being generous to them. He moved away at a time when we were being the firmest and clearly classifying him in that area and he on the other hand was greatly professing his association with the Soviet Union at a time when he could do it and still retain full American aid and full American assistance and that was the time clearly that there was no reason for him to take any other position, but when he had to make a choice with the increasing tightening up of the screws becoming apparent from the Soviet Union, then he made the choice to move away.

If there are indications of moving away from Moscow and of a greater recognition of rights of people within north China, that would be the moment at which we might decide to recognize and send assistance but at a time when all statements being made by the leaders and the Communist government are insulting and attacking our country, when the treatment of nationals is at a low ebb, clearly that is not a time to think of recognition and I do not agree that our prestige is involved in the question of recognition. I think our prestige is involved in all of Asia and all we have done and all we will do.



I make the further point on this that by all means we should have a new aid-to-Asia economic program under way, functioning before we recognize the Communist government of the north of China.

If at a stage when the world says "What is America's Asia policy?"—if there is such a stage, the one outstanding fact that we recognized the Communist government of north China and joined in throwing out of the United Nations that nation that stood firm in years of Japanese invasions, if that would be the one thing we did in Asia, I think the result would be very sad, but if we start a new affirmative approach of aid to Asia in a positive way and if your program and policy begins to project itself and be understood—if at that stage we find the intelligence officers' reports are of complete consolidation and if at that stage we find there is an element of increasing stability and respect for rights rather than the reverse in the north of China, then at that stage I think recognition should be given after a full consideration but not before.

The CHAIRMAN. Thank you, Governor Stassen. Before going on to another topic I am going to ask Mr. Russell if he will read part of a telegram which we received from General Wedemeyer expressing his regrets that he could not be here and giving some of his views on some of the questions coming up.

Mr. RUSSELL. General Wedemeyer says:

"The United States should not surrender the initiative in any field of international endeavor, in any area of the world. The timing, the scope, and the character of our efforts in one area—in this instance, the Far East—should be carefully coordinated and integrated with our efforts in other areas of the world; for example, Western Europe, Central Europe, Middle East, etc. To insure economy of means and to make our efforts more purposeful to all nations our efforts should be integrated and coordinated with those nations and peoples having objectives comparable with our own.

"Specifically with reference to policies and objectives in China the following ideas appear pertinent:

"1. The pronounced and progressive deterioration of China's political and economic structures, also the impotence of government military forces, render it impractical at this time to provide large-scale material aid. The remaining Chinese non-Communist forces or elements, with or without national government's cognizance, are not organized or equipped to assimilate or to use effectively large-scale material aid.

"2. The Chinese people, individually and collectively, would receive a tremendous uplift in morale and would derive strength and hope for the future if the United States, also Great Britain, France, and other friendly countries publicly affirmed the determination to support anti-Communists or non-Communist elements in China throughout the Far East. Such a public pronouncement by the President or the Secretary of State would provide the morale support so urgently needed by bewildered millions not only in the Far East but in other important areas of the world.

"3. Material aid to Chinese leaders, communities, provinces, or specific areas, actively resisting or tangibly striving to generate realistic opposition to communism, should be given by the United States on an evaluated scale, carefully supervised by United States representatives, progressively increased in scope if developments warrant. In this connection military equipment, propaganda, media, medical equipment, food, and clothing might be distributed at times, in areas, and in quantities determined by careful evaluation of the existing and development situation. Our initial objectives should be to restrict and harass the military and economic activities of the Communists and concomitantly to confute the refuted ideas, the ideals and the ideologies of the Communist political and cultural forces.

"4. Continued observation and evaluation of the results attained by the above unequivocal moral support accompanied by evaluated material aid, might justify later greatly increased material aid in certain localities as, for example, in support of indigent movements that give tangible evidence of momentum and substance in their struggle against Communist domination."

The CHAIRMAN. I asked Mr. Russell to read it because if General Wedemeyer had been able to attend he undoubtedly would have expressed those same opinions himself and we have tried as you know here to get all possible points of view from those highly qualified to speak.

We are not engaged in a debate and I know that as we end up each topic many of those who spoke at the beginning of the discussion would like to start



in and discuss some of the ideas expressed later in the discussion. I don't think we have time for that and whether one point of view or another point of view is expressed early in our discussion or late in our discussion is immaterial to the general process, which is to elicit from all of you all the points of view you care to express on the issue before us.

I am going to ask you now if you would be willing to discuss for a while the particular problem which seems to me to merge in connection with a Japanese peace treaty.

I think in some of the earlier discussions in which the question of Japan has been touched on, a number of people at least have expressed a point of view which amounts to a suggestion that a termination of occupation of Japan as soon as practicable would be desirable and Japan should be started out again free from an occupation.

The problem which arises in connection with the conclusion of a peace treaty and on which I hope you may be willing to express opinions is this: It is quite within the realm of contemplation that assuming we get over the procedural difficulties of arranging a conference to conclude a peace treaty, that it might be feasible to reconcile the points of view of the Soviet Union and other powers as to the terms of the treaty. We have had some difficulty in concluding peace treaties in other parts of the world. The question is: If such a situation develops, is it more desirable to continue with our occupation and with no peace treaty or have those states who can agree on a peace treaty to go ahead and conclude a peace treaty of their own with Japan even assuming other states refrain from ratifying it and therefore remain technically in a state of war with Japan or may conclude their own peace arrangements with Japan.

That issue of a separate peace treaty if no unanimous decision can be reached, or if no peace treaty on how the situation should be liquidated, is one which I think requires very careful decision and I hope that we might address ourselves to that for the next period of our conference.

Mr. Johnson, would you care to make some comments on that to begin with?

Mr. JOHNSON. Mr. Jessup, as you know, I believe that a peace treaty with Japan should be negotiated as soon as possible. I feel that the only way that you can free Japan to enable Japan to take the part that she has to take in the trade in the Far East, which is necessary to put her on her economic feet, is to have this peace treaty. I know the difficulties that we have had up to the present time; we haven't gotten over the procedural hurdle. I, myself, feel that it is rather sad that we can't get across that hurdle. My own personal belief is that enough of the nations, that have been participating in the discussions at the Far Eastern Commission, would go with us on a peace treaty to make it worth while doing it even if Russia was not a party to it. I profess to no knowledge of Russia and I don't know much about it, but I have a feeling that if we could start in on this thing, Russia probably would come along with us; because I don't think they could afford, or would feel that they could afford, to let the majority of the nations of the Pacific go forward in this matter and not participate in it in some way.

The CHAIRMAN. Mr. Reischauer.

Mr. REISCHAUER. Well, Mr. Ambassador, you have opened up a very broad subject here; if we take into consideration all the problems within Japan, it is somewhat separate from what we have been discussing. I might dwell particularly on the influence of the China situation on the Japanese situation. I think the Communist success in China does make it more imperative, you might say the word "more imperative," to make a peace treaty with Japan quickly, if a suitable peace treaty can be made. Of course, a peace treaty made without the participation of certain great countries like the U. S. S. R. would be a blow at international cooperation; we'd have to recognize it as such. That is a serious loss. A peace treaty in which we had to sacrifice certain essential points would be disastrous; that is, if we made a peace treaty in which Japan could not maintain a viable economy, why, we'd be worse off than we were before.

There has been much reference to the American record in the Philippines as being our greatest asset. I think, in a sense, the American record in Japan is, or at least will be superseding the record in the Philippines. The record in the Philippines is a colonial record for the colonial period; we had very clean skirts in the colonial period. Asia is moving out of the colonial period into something else. Wittingly or unwittingly, we have tried to democratize Japan; there is no doubt about the effort and there is no doubt in the minds of any people that that is what we tried. If Japan cannot live economically, of course,



that great experiment will collapse and it will backfire in a tremendous way. I think it would be accepted as proof-positive that the American way, the American concept for Asia, is meaningless—enough Asiatics probably believe that already. We put ourselves way out on a limb in Japan sometimes without recognizing it, but we are out there just the same; we almost have to succeed.

Unfortunately, I think we would all agree, our position in Japan is definitely deteriorating. I think it has been deteriorating for some time. You do not, in the long run, create a strong democracy through military dictatorship and we must admit to ourselves that our methods inevitably have been those of dictatorship, we have told them what to do. There is, in the long run, a conflict between the ultimate objectives and immediate methods; that conflict has grown year by year. At a certain point it became so great, I put it in the past tense; it became so great that we began to lose ground rather than to gain ground in Japan; particularly with the Chinese victory, a Communist victory in China, I think we will begin to lose ground, we will accelerate in our losing of ground. I say this because the area in which we are losing ground, I think, is in the ideological one primarily. There is, after a period of years, a growing resentment on the part of the Japanese toward dictation, insofar as they have imbibed some of the ideas of democracy, that irritation is all the stronger; it is natural to people with democratic ideas, so far as those have gone across.

There is an idea in the mind of the Japanese that they must live with the Chinese. The Russians exert a negative pull there, Russia is highly unpopular, Communism is popular in certain groups in Japan despite the Russians, not because of them. In the intellectual vacuum that Japan is, I think the Japanese have quite successfully put them into two different compartments, Russia and communism. It seems incredible to us because we usually define communism in terms of what exists in Russia; that is quite different in Japan, they define communism as a theory; it is on a very high level. Russia is something else, they don't like Russia.

In the case of China, a Communist China exerts a different pull on the Japanese public, I think. They are in a state of mind where they have always been great admirers of China despite all they have done. Today, after their great defeat, I think they are in a position of being in greater admiration of China than ever before, despite the situation in China today. They feel that they must go along with China to a certain extent.

I think it would be a highly disastrous situation if we seemed to be creating a wall between Japan and China. Communistic China then would really exert a strong pull on the Japanese imagination. Communism is unquestionably growing in Japan, growing very fast, and I think we, ourselves, are the chief stimulus to its growth. The army of occupation is the type of thing that does produce that. Therefore, the Communist victory in China makes it necessary for us to move all the more rapidly than before.

The matter of trade has been brought up several times, in terms of whether or not trade is more vital to Japan or to China, I should say the answer is very definitely it is more vital to Japan. China is on a different time schedule, in fact, all our thinking about China and the rest of Asia is on a different time schedule from our thinking about Japan and Western Europe. Those are industrialized countries, as Mr. Kennan pointed out the other day, Japan is one of the potential areas for war power, for industrial power, it is in a different category from the rest of Asia, something that can be put into power terms within a matter of a year or two, Asia can only be put in those terms in a matter of decades.

I think in much of our discussion, when we said, "Asia," we meant Asia minus Japan, Japan is in that different time schedule. It makes no difference, really, whether the Chinese Communists succeed in 20 years to industrialize, or 10 years, they are out on a very long-range program, say 50 years if you want. China is not going to be a menace to us for decades. Japan has to live immediately, it is an industrial power, in Communist hands it would be a menace to us. Its economic power can build up China and can help us greatly in reviving the economy of the whole Far East. I mean this whole concept of production of rice in Siam and Indochina is premised on the supposition it can be exchanged for Japanese industrial goods, I believe. We have to succeed in Japan immediately; the Communists don't have to succeed in China for decades. From their point of view, I think the trade, insofar as it is an essential part of the Japanese economics, is more important to Japan than to China. Any feeling on the part of Japan that we are stopping that trade, would be disastrous to us on the ideological ground as well.



The CHAIRMAN. May I ask you one other question to complete your remarks. How do you envisage the position of Japan, say, in 1960 in the Far East?

Mr. REISCHAUER. Do you mean economically or politically?

The CHAIRMAN. Both, in terms of influence, economic and political.

Mr. REISCHAUER. Well, either Japan is going to live economically or else it is going to be a catastrophe. If she is living economically that means she is living on exports, now, not on so much of consumer goods as capital goods, the whole shift of postwar years has been in that direction and that is what the Asiatics want from Japan and Japan can provide these capital goods to the rest of Asia much more cheaply than anyone else can, in most categories. If it succeeds, why I should imagine in 1960 Japan would be a very important part of the economy of the whole Far East. It is pump-priming mechanism, actually that is the thing that gets the rest of the Far East going.

Politically, you have the question, Does Japan remain a peaceful nation, a nation attempting to carry out a democratic program or swing to something else, the problem is what else would it swing to? I think the history of modern Japan would indicate clearly there are only two possibilities in Japan, either a democracy or back to the totalitarian pattern. The whole try from 1890 on is a swing between the two, they have grown out of the modern Japan—a pull toward democracy, which many of us underestimate in Japan, and a pull toward totalitarianism which finally won out—they are products of the modern age. Japan is going to swing between the two. The question is what kind of totalitarianism; that is academic. Totalitarian means pretty much the same thing, I think in Japan it would have to be red because that is the only line possible; it would be red in the sense it had a Communist ideology and a great number of old army officers running it, they would flock into that, it would be the only solution for them. That would be a rather curious red, but it doesn't make any difference to them whether it is emperor oriented or something else. We have that choice, If the thing succeeded, we have a chance to keep it democratic and we have to work for that.

The CHAIRMAN. Mr. Colegrove.

Mr. COLEGROVE. Dr. Jessup, there is, of course, no doubt of the fact that the longer our military occupation remains in Japan, the more unpopular the United States becomes with the Japanese people. We have been extremely popular in Japan, the military occupation has been very fortunate under General MacArthur and I think that, from the very beginning, we had the great bulk of the Japanese people behind the American experiment in democracy, partly through the devotion that the Japanese people have to the emperor, because the emperor asked the Japanese people to give support to General MacArthur, and because of the wisdom of the administration that we have carried on in Japan. But a military government is always unpopular and no matter how far we go in relaxing the immediate direction of governmental affairs in Japan to any government like the Yoshida government, which is very favorable to the United States, nevertheless, we increase our unpopularity in remaining. On the other hand, I think that we might well keep in mind that the ideal procedure for a peace conference on the Japanese peace would be a conference of the 11 nations represented in the Far Eastern Commission, but if Soviet Russia will not cooperate in negotiating a peace in a conference of the 11 nations plus Japan, herself, making 12, then wisdom would seem to call for a conference of the ten remaining nations plus Japan. But one thing will have to be clear with reference to the American position and that is the problem of security in this great game of power politics.

In other words, does the United States have the basis to resist a Communist, or, again, a Russian invasion not merely of Japan but also of South Korea? If we withdrew without having it clear to the entire world that we are ready to immediately oppose a Communist invasion of South Korea, and again a Communist invasion of Japan, then, of course, we greatly have weakened our position and strategy, not only in the Pacific, but I think even in Europe, itself. In other words, South Korea today, its independence, is completely dependent upon the support of the United States; so it would be a great strategic mistake for the United States, even with an early peace treaty, to withdraw unless we may have taken a strong position with reference to strategy.

The CHAIRMAN. Mr. Decker.

Mr. DECKER. I imagine that a good many other people around this table have had the same experience that I had in getting it from the horse's mouth, namely, from General MacArthur, that he considered that military dictatorship, occupation, could be successful. He said a study of history disclosed it. I



haven't studied all that history but presumably he had. A study of history disclosed military occupations could only be successful for a maximum of from 3 to 5 years, and the occupation began in 1945.

The second thing I should like to say is I think it is very important that we should be prepared to follow the logic of democracy and to accept its hazards as well as the benefits that we so profoundly believe in; accept its points of weakness as well as the strength in which we have confidence, and that requires that the Japanese people should, at the earliest possible moment, get on their own.

The third thing that it seems to me is completely obvious, is one of the very critical points is going to be Japan's viable economy and how that can be achieved without opening up trade between Japan and China, it seems to me that is a question that can only be answered in one way.

Then there is a further thing that I think we ought to constantly keep in mind and that is the traditional fear which the Japanese have entertained toward the Russians. Whatever communism may do in Japan, whatever may be the result of the Communist success in China, I do not believe that they will eliminate from the Japanese mind and heart that rather deep-seated and well-founded distrust of Russia.

The CHAIRMAN. Mr. Murphy.

MR. MURPHY. In consideration of a peace treaty with Japan, I think there are two major considerations, first, on the political level, the danger of our being responsible for or underwriting the Japanese political situation for a prolonged, indefinite, future period, and of the economic level, whether we can afford the nearly half billion dollars which we are being forced to contribute to their economy, a contribution which there is no evidence, no good evidence, it won't continue indefinitely; and secondly, the effect on the Japanese effort to make itself self-sustaining of our continuing to hold it back in that manner.

With regard to our occupation on the whole, although there have been numerous mistakes made or claimed to have been made, on the whole the occupation has on balance been quite successful, but there is no guaranty that at some near future time we may not begin to make serious mistakes; as Mr. Reischauer says, the situation tends to deteriorate.

When I was in Japan not very long ago, the general feeling as reported to me there by both Japanese and Americans was from the very end of the war the Japanese were waiting to see us get out, much as they had unexpectedly liked us in the beginning and up to the present time. Nevertheless, they were withholding all kinds of plans for the time when we got out. The question of reparations is pretty well settled by now but it was a great draw-back and hold-back on Japanese plans for at least 2 years. There are other restraints on them which our continued occupation and the lack of a peace treaty impose on them.

With regard to the militarily strategic position, it seems a very, very doubtful thing whether we would be in a position to hold Japan if we became involved in war with Russia, and whether we were able to hold Japan or not and in holding it be responsible for 80 million people, I think it is generally conceded that we'd have almost the same advantages in the islands like Okinawa, Tinian, and Saipan that we have in holding the islands of Japan. For that reason, I'd be strongly in favor of our moving toward a peace treaty with or without Russia.

The CHAIRMAN. Mr. Vinacke.

MR. VINACKE. Mr. Chairman, I would like to raise questions rather than present a point of view. I think we are making certain assumptions in our approach to this question, one of which is that a Japan restored in her independence as a result of a peace treaty would automatically thereby have facilitated her access to the position which she must have economically if she is going to retain her economic position in Manchuria, in Korea, in north China, and in her trade relations with the southern Asian countries and with the Philippines.

Now, it seems to me that a great deal depends on the circumstances and the nature of the Japan which regains her freedom of action, as to the attitude or reaction of the peoples that are governed throughout the area, through the resumption of trade relations on terms regarded by the Japanese as suitable, or we would regard as suitable in terms of the economic objective of restoring Japanese power. I am afraid that under those circumstances, as well as under present circumstances, we would find ourselves in the position of being expected to exert considerable pressure in support of Japan on the states, it is not altogether clear yet whether they are prepared to make a peace treaty with Japan on the assumption that Japan is going to be a relatively economically strong Japan



and, therefore, not in an equal trading position with themselves, but really in a dominant trading position with themselves.

I wonder whether we won't be in a better position to approach a peace treaty with Japan on a basis of negotiation, if the negotiations were deferred to the time when we could look at Japan as a factor in far eastern politics, rather than a factor in the American-U. S. S. R. relationship, which is obviously, it seems to me, what we are doing now and what we have to do. I think we are in a much better position in the present state of our relationships with the Soviet Union to deal with Russia from Japan as a country that is not independent than we would be if Japan had regained her freedom of action.

The CHAIRMAN. Mr. Coons.

Mr. COONS. My remarks are a little bit along the same vein Mr. Vinacke has just brought forward. Supposing that we shall have signed a treaty with Japan, we shall still be having the Japanese on our minds and hearts as a concern with reference to their economy, and there is still the real responsibility that, if not from governmental sources, at least from the capital markets of this country, equal amounts of money will flow toward Japan. Now, we know a good many of the countries of the whole Pacific basin have been concerned about the drift of policy on our part with reference to the revival of Japanese economic strength, a policy which we have had to take for various reasons, and quite legitimately. Would it not be wise for us, before undertaking the negotiation of the Japanese treaty and recognizing the concern that they have that we will either privately or publicly finance the Japanese hegemony and economy in the Far East, to do these two things we have talked about before. Namely, try to have some greater regional considerations of the flow of trade, and have a policy of economic aids such as Mr. Stassen has referred to, which are already a part of the record, to mollify that concern that is wholly legitimate on the part of many of our Pacific confreres.

The CHAIRMAN. Mr. Ballantine.

Mr. BALLANTINE. Mr. Chairman, I think that many of us Americans, in thinking of a peace treaty, we have a concept that you conclude a peace treaty and then you settle everything for the rest of time and Japan will be off our necks, we no longer have any responsibility toward Japan. Now, I think that we have to conceive of this problem of a peace treaty as related to our ultimate objectives in Japan. I might express our ultimate objectives in these terms: We want to see emerge in Japan a country that will play a constructive part in the family of peaceful nations. In other words, that means we want a Japan that is going to be on our side. Now, if we want a Japan that is going to be on our side, we have got to make it to the interest of the Japanese people to be on our side. We want them to be democratic. Well, if we want them to be democratic, we want to convince them that that is a better way of life than the kind of life that they have had before.

Now, if we should conclude a peace treaty and Japan should be left completely defenseless and still have failed to achieve a viable economy, we will earn recriminations to the rest of time; if Japan should find herself defenseless against the Soviet Union, if Japan should find herself unable to make ends meet, that would certainly turn her into the hands of the Soviet Union. I think we must realize that we have a continuing responsibility even though we don't have any occupation forces, even though we don't have any tutelage carrying on we do have a moral position that we must continue to maintain in Japan, continue to help Japan to arraign herself on our side, to make it to Japan's interest to remain on our side. I just wanted to inject that note as an important consideration that we must keep in mind.

The CHAIRMAN. Anyone else wanting to speak?

Mr. LATTIMORE. The dilemma of our position in Japan can be stated in a way slightly different from any statement made so far. Either we have a Japan which before a treaty or after a treaty is primarily dependent on the kind of American economic blood transfusions which General Marshall this morning said represented—I cannot recall exactly but something like an intolerable drain in the long run—something that has to be diminished, that kind of Japan either under continuing occupation or a free nation which may take on the very deceptive appearance of a reliable ally but in fact it represents a dangerous commitment of enormous American resources in a distant part of the world which may not be the decisive theater of power settlement.

The other kind of Japan is one—the only other possible kind of Japan is one which does not in fact depend on American subsidies. Such a Japan is inevitably going to be a bargaining Japan and inevitably a bargaining Japan must bargain with the counters it has at its disposal and among the most important of those



counters are its possibilities of friendly relations with a Communist Russia and a China under increasingly strong Communist control.

These are unpleasant facts but we have got to face them. There is no way of getting a really free and independent Japan that is not also a Japan capable of bargaining against us at our expense. There is no way of having a dependent Japan that is not an embarrassing drain on us. Those are the two horns of the dilemma and there is absolutely no other way of stating the facts.

In this connection—if I might add—in view of some remarks made earlier—very important ones I think—about the necessity of sufficiently disengaging yourself from an old situation before you commit yourself to a new situation, I think we ought to give a little more attention to the problem of Korea. Korea appears to be of such minor importance that it tends to get overlooked but Korea may turn out to be a country that has more effect upon the situation than its apparent weight would indicate.

I don't know how it can be done but I should feel very much easier about the prospects of success of American policy in the Far East as a whole if we can proceed or arrange our new relationship with Japan, whatever it turns out to be, by disengaging ourselves as far as possible from southern Korea.

It has been widely stated and I don't know if it is true but it may be open to criticism—that Korea is not a decisive strategic position. Certainly on the political side Korea is likely to be an increasing embarrassment. Southern Korea unfortunately is an extremely unsavory police state. The chief power is concentrated in the hands of the people who were the collaborators of Japan and therefore Korea represents something which does not exist in Manchuria and North China; namely, if the Chinese are willing to trade with Japan it is because they no longer fear that trade with Japan means Japanese strategic control.

Southern Korea, under the present regime, could not resume closer economic relations with Japan without a complete reinfiltration of the old Japanese control and associations.

Korea is a danger to us in other respects. I think that throughout Asia the potential democracies—people who would like to be democratic if they could are more numerous and important than the actual democrats. The kind of regime that exists in southern Korea is a terrible discouragement to would-be democrats throughout Asia who would like to become democrats by association with the United States. Korea stands as a terrible warning of what can happen.

Mr. QUIGLEY. Mr. Ambassador, I must say that I don't feel at all sure in my mind of the answer to your question but I would like to contribute a little from my experience. I suppose we could say that the program of the occupation has two main phases—as a police phase or military control phase, established in order that certain settlements might be reached and the other, a totality or reformist phase which might or might not have been undertaken but which we have undertaken and it seems to me that we leave out the question of international complications—that probably on both of these aspects of the occupational program we would have to say that the time has come to withdraw and to end the occupation.

I agree with Mr. Reischauer's estimate of the trend in the Japanese attitude toward us and wish there were time to discuss the reasons for it but of course there isn't time. The cost of the occupation is of course tremendous for us and it is also tremendous for the Japanese and it is to some extent delaying their economic recovery. I would think though that we are faced by a situation prompted by the new constitution which will require us to set up a condition in the treaty which the Russians will not accept and I don't know whether that is the main reason for their apparent determination to have a veto in the conference but that perhaps you could tell us, Mr. Chairman. We have in the constitution, as everyone knows, required Japan to disarm and to remain disarmed permanently and the Japanese probably don't have the unanimous feeling as to just what obligations that leaves us under but I know some factors of our public opinion would feel if we withdrew from Japan before this had been changed, that we would be failing to discharge a moral responsibility for their protection.

Perhaps other sectors of Japanese public opinion would say, we prefer you to withdraw even so, and how the majority would go I don't know but we are faced by a problem there which I would like to see discussed. I don't know what the answer to it is myself. Certainly it will take, if we do desire to have that provision of the constitution or otherwise, considerable time to put them back into the military column. So far there has been no public expression or any desire to see that constitution changed. Of course we know what the Japanese will do—I think we do—the moment we withdraw. It is more or less ac-



democratic as to what we think about it except for the matter of the treaty and I don't know the answer. I like to throw it out as a question.

The CHAIRMAN. I wonder if I may ask you to make a jump to what you might consider the other side of China. We have had some discussion of India. As you know, Mr. Nehru will be here next week on his first visit to the United States. It will be an opportunity for the first time for an exchange of views between the officials of the United States Government and Mr. Nehru. There is a great deal of speculation as to what the future relationship should be between India and the United States. It depends in part I suppose on the evaluation of the future role of India in the whole Asian and far eastern scene and if you would give us your thoughts as to what is the position of India today—what it is likely to be—what the relationships of the United States to India should be—it would be extremely helpful and very timely for us now.

I think one of the characteristics of the Indian situation is that because of the recent emergence into independent life, we approach the problem of India without the background of the historic context which is considered in relations with Japan and with China. Mr. Talbot, I wonder if you would like to say something on this subject.

Mr. TALBOT. Thank you. I have found myself in an odd position at this table. In a very modest way for a few years I have been climbing stairs and walking down halls and knocking on doors and saying, "Remember there is India and in this world we have to think about that part too." Now things have happened elsewhere in Asia and we come to a moment when there is recognition of a country called India and there is a sudden jump and India is the new bastion of democracy and India is the place where our policy, which had so many difficulties in eastern Asia, can be retained and again I am afraid that I find myself in the minority in having to suggest that there are a great many risks in the Indian situation which have to be considered carefully before we take such a long leap in the very new political situation that you speak of.

There is an inherent regime and administration in that country which was badly fractured by participation and independence. It is too early to judge what is going on and how effective the new implementation or new administration measure may be.

In the matter of top personalities, Nehru, the Prime Minister, is the boy of the crowd. He was 20 years younger than Gandhi and younger than practically every other leader on the first team and yet he is 60 today, having led the sort of life which has given a great many men a degree of longevity than they might have experienced otherwise. Within the next relatively few years we have to count on a complete turn-over and wonder what sort of change will come after that.

The Indians still have the problem of their relations with Pakistan, with all the troubling difficulties existing there and the uncertainties as to what may develop over Kashmir. Economically, there is the basic problem of feeding people—the food which has to be met if the country is to be held together politically, and it is still quite uncertain as to how it will go on. They have had productive difficulties and a strike in capital and a strike in labor which has been plaguing them. They have had many other difficulties. Socially they are going through a period when the old stabilizing factor, the caste system, is breaking around the edges, and while social change is desirable, it does not always come at a steady pace and it is difficult to tell what will happen. Psychologically there is a great danger.

Somebody commented the other day that one of the features of a conference is when a man has an idea he usually tries to express it twice and I would like to say again I think I would be the first today to say that there is very great danger in putting Nehru in the position of being an American puppet. There is no better way to take the ground out from under him than that.

India is a risk, to my way of thinking, that is worth taking and in considering the problems we should think of it from India's point of view—if we were the Indian Government, where we would go to get aid—coming back to the food question which is primarily first. We, the Indians, must get food to carry over the next couple of years. If we don't, the political and economic integration will be set back, and where do we go? Wherever we can get it. We don't ask for ideology. We go to Argentina or southeast Asia and come to the United States. Because of pride we don't ask for grants but we know the United States has a surplus in grains and in some way our pride could be saved—we could make a borrowing arrangement in surpluses that would help us.

Again, from the Indian point of view, on the longer term, there is a great deal to be done in the increase of food production. Again there are many countries



to whom the Indians might go for aid. They will try to get what they can from Japan and see if they can get help in materials for wells and fertilizer from this country or if they can get it cheaper or better from European countries or Australia and in land reform, they will tackle it themselves.

Then there are a great many other prospects for economic viability. The Indians are thinking in terms: How will we stabilize our position? and not, How do we fit into the American-Russian picture, but how to get our own problems settled. In line with that thinking, there is a great deal of help Americans can give to the Indian invitation and there are large-scale utilities that are needed. They require not only capital goods but if you give them a big machine you have to train the people to operate it. There has been some stocking of the steel mills by the British Commonwealth, run by Indians, trained by Americans; similarly with aircraft and similarly with dam projects. There are small-scale businesses that Indians might invite.

The Government people don't like the attitude of their own capitalists and they would not object to seeing American or European business on a small scale there. They are proceeding with village and urban planning and again at their initiative I think they might very well derive some help. I don't know how wide it is known that the Gandhi spinning wheel, which is a symbol of India, has been considerably developed and refined by a Pole over the last 15 years.

The contributions of Americans on reconstruction have been helpful so long as they have been at the Indian invitation. Similarly in training of administrators they may want help and there may be a place for outsiders to help—university projects were mentioned—scientific training and others.

Returning to my role as an American, it seems to me that because of the present situation in a country like India, we don't want an American policy which says we must line up India on our side as an informational policy. As an American, I would like to see diversity in the world and people developing as Indians are developing, in their own way. We take the risk. It is a lesser risk than if we try to people India to our pattern and let them develop at their own way and if we get that diversity I think we may some day profit from it. As Mr. Lattimore says, we run the risk that India will turn against us, but where don't we run the risk?

In considering the problem of India, we have to think of Pakistan which is overshadowed by India. It is smaller and it is divided, one might say, hopelessly, geographically speaking, but confronted with other countries of Asia, it is a large and important country and I think in our fascination for a new role of India, we must be very careful in our treatment of Pakistan.

The Indian Prime Minister is coming to this country next week. It is very important and it is very good but we cannot forget that the Pakistan Prime Minister, Liaquat Ali Khan, is going to Moscow in the next few weeks and there are suggestions that the Prime Minister's visit to Moscow is a direct reaction of sensitiveness and irritation at our having glamorized India and having ignored to some extent the potentialities of Pakistan.

I think that there is a great deal we can do to strengthen Indian society. I think we can help them strengthen it. There is a good case for doing it. India does represent potential stability and the more stable it is, the more likely it is that it would be nearer to us than the other side. We don't have to be suckers for the ECAFE plans Mr. Brown mentioned—so badly organized. On the other hand, the World Bank and others found it is possible to get good plans and support those and give the Indians a feeling they are putting up a businesslike proposition and we are doing business with them. That would encourage their morale and give them a sense of belonging to your world if anything does.

India's importance is growing if it can achieve internal stability. If all these risks I mentioned can be surmounted, the role it will play in south Asia will be very important and I think that, generally speaking, it is likely to be nearer our side than the other although certainly rarely entirely on our side.

As a final comment I might observe that last night a senior British official in Washington at dinner with the Indian Ambassador, Mrs. Pandit, was speaking about Kashmir. He over simplified the case and said Kashmir is the central problem in the world and not the atom bomb because if India and Pakistan go to war over Kashmir they would bring chaos resulting in communism in India which would extend to the Middle East, which would extend to Africa, and then would overflow Europe.



Later an officer of the Indian Embassy commented that that presentation had probably done as much to irritate Mrs. Pandit and presumably the Indian Government as anything could. He said: "We don't like the Kashmir problem. It is something that bothers us. We want Kashmir but we don't like the way the thing is shaping up; but if people would only help us—why don't they say, Here is some way to approach the Kashmir problem? That will help the Indians. Why do they have to say, You are the spearhead and the end of the weapon for European communism. If they looked at it from our point of view we might make progress.

Mr. COLEGROVE. May I ask a question at this point? What encouragement and aid is being given to bring Pakistan students to the United States to study? I know we have a large number of Indian students coming to the United States but probably very few Pakistan students. Is there any program for bringing young men and women from Pakistan to study in our universities?

The CHAIRMAN. May I ask Mr. Johnstone to answer that.

Mr. JOHNSTONE. Yes, we are negotiating Fulbright agreements with Pakistan at the present time as well as with India and there are more Pakistan students in this country than one would realize and they have been sent over here by private resources and by the Pakistan Government, so I would say in general the flow of students to this country is increasing.

Mr. HEROD. From purely a business and industrial standpoint a few observations on India may be in order. I personally have not been in India for a little while. We have branches there naturally and we do a considerable amount of business there. As we look around Asia, with the exception of Japan, India has the greatest installation of electric power of any nation. It has a greater chance of stability than most of the other countries and having inherited an Indian civil service, it offers tremendous potentialities and although our observations indicate the virility or vitality of the individual Indian is not as great as the individual vitality of the Chinese, the Indians are going some place whereas the Chinese are going less rapidly, let us say, in a roundabout direction. They have many plans and the future of those plans seem to be possible and reliable but I don't think we want to go over the barrel with our so-called aid to everybody.

We are getting the psychology that we can extend our patrimony and they will have gratitude. They will not, in my opinion, and we will be dispersing our resources.

There are good prospects in India for credit extension and likewise for loans self-liquidated which they can have and if we approach India on a business proposition and try not to weave it into a division between Moscow and Washington, I think we will get further along.

Also, I think we should do a little clarification of our thinking. If our objective in India and Japan is constructive influence among peace-loving nations—maybe democracy is only a means to that end—it imposes on democracy certain standards—something which is a desire to peace and I think we want to go easy on trying to jam down the neck of people abroad some conception we have got—as to the way Hague in Jersey City or Huey Long in Louisiana or some other one of our politicians feel—that so-called western democracy is necessarily the best one to use or even democracy as we know it is the best instrument to use in some countries in different stages of development.

I think we should approach the Indian situation on the basis of here is a tremendous country which at the present time and for the foreseeable future has the greatest potentialities in Asia—second only to Japan—but I don't believe the potentialities are going to be realized. The realization of those potentialities I think will be dependent to a maximum extent upon the Indians themselves and when there is a great confidence and a great many in good positions.

The present laws and tendencies toward laws are such as to frighten capital—our private investment. They are far more socialistic or communistic in their verbiage than in some cases in the Communist countries. I think you will find a great deal of difficulty in attracting private capital, but just because private capital does not flow, I would urge caution on the part of government to become the instrument which in defiance of good business prudence says, for some altruistic reasons we will extend the loans and do these things to try to help out, because I don't believe they are appreciated.

The CHAIRMAN. Mr. Lattimore.

Mr. LATTIMORE. In Mongolian, in the expression of gratitude, "a grateful man" is practically indistinguishable from the expression "a pack animal loaded with a burden."



Mr. HEROD. I understand there is no such word in Hindustani.

The CHAIRMAN. Mr. Murphy.

Mr. MURPHY. As a minor note of warning with respect to Mr. Nehru's visit here next week, I would like to say that, in my opinion and it is an obvious remark, the Indian people are not a strong and practical people, in our definition as we define it here, and that despite Mr. Talbot's glowing presentation of the opportunities and the resources and the potentialities in India; nevertheless, within the last few months, when the International Bank sent a mission, a representative and assistants, out there to examine all of the loan possibilities and programs that the Indians were putting forth, after he came back I was told by the head of the mission that the Indians had actually put before them no important proposal which was a finished proposal; that is, it lacked some characteristic—each such proposal lacked some characteristic either of using the power that was to be generated in the area in which the power installation was to be placed, or some other practical element which made the proposal not a satisfactory one for the bank. They ended up by saying we will make some small loans in order to save face; but there is that danger that must be faced that the Indians want a great deal of support from us but there is the question of how fast we can go along in giving that support in a practical manner.

The second observation I wish to make is, with respect to Mr. Nehru. Mr. Nehru is one of the great spiritual forces of the world and his government is generally considered to be a democratic and a humanitarian government, and yet with respect to the three problems that they now have at issue with Pakistan—of Kashmir, of the refugee properties, and of the water rights in West Punjab—in each of those three preponderantly it seems to me the Indians are acting in an arbitrary manner—reactionary and arbitrary manner.

The CHAIRMAN. Governor Stassen.

Governor STASSEN. I just want to say that I associate myself with Dr. Talbot and others who say that we must not try to have the Indians take sides between the Communist question and ourselves. I think we must let that picture develop on pretty much their own pattern, and I also emphasize the view that you should try to get the greatest amount of the business approach into the situation, more of the underwriting of the point 4 and self-respect approach of the Indians. That is why, too, the Pacific pact thing, which might cause India to be outside of it, would be a very bad move, in my judgment.

The CHAIRMAN. Any other comments on India? Mr. Decker.

Mr. DECKER. Mr. Chairman, I was very much struck with the possible wisdom—I am not sufficiently informed to go further than that, but it certainly seemed to me to be something to be explored—the suggestion made by Dr. Reischauer that in the recognition of the Chinese Government very great care be taken to at least consult with India beforehand. We may not be able to synchronize any such recognition or to adopt entirely parallel courses, but that seems to me a suggestion that is very well worthy of exploration.

I might add that I have been rather surprised here in this conference that we have not had more discussion of the question of the parallel action between ourselves and Britain on other matters, particularly on the matter of recognition, and the more specific things we have discussed which pertain to China. I am very certain that is in the minds of the officers of the State Department and that every effort will be made to keep the great English-speaking peoples in step, which is, I think a very important objective to be sought.

The CHAIRMAN. Mr. Vinacke.

Mr. VINACKE. One of the comments General Marshall made with respect to the Philippines, it seems to me there is to be association in advance of the action. We ought to keep clearly in mind that the Philippines is an independent state, through which and in cooperation with which we could act very effectively.

The CHAIRMAN. There is one question which I think you discussed more when I wasn't here, which was left a little bit hanging; I don't know whether any of you want to return to it, that was the question of the Chinese students in this country and the role which they might play. I don't know whether it was brought out in the discussion, but I think you all are aware of the fact that a bill is before Congress for the appropriation of \$4,000,000 to take care of the Chinese students in this country. I believe that is well along toward passage. I think it hasn't been finally acted on on the floor yet but reported by both committees. Isn't that right Mr. Johnstone?

Mr. JOHNSTONE. Yes.

The CHAIRMAN. Mr. Colegrove.



Mr. COLLEGROVE. The question of Chinese students in the United States is really a very pressing question and it may be that \$4,000,000 is altogether too small an amount. The shock that so many Chinese students in our universities and colleges receive, when they are confronted with the situation that their support from home was cut off, is extremely demoralizing and I fear that we didn't act as promptly as we should to help those young men and women. I think we should try to keep all of these Chinese students in our universities and, in fact, invite more to come over. At the same time, since they are here and are learning American technology and, again, learning something about our democracy, our program should encourage them, after they have completed their education in the United States, not to remain in the United States but to return to their native land and take part in promoting world peace and world prosperity by means of the technology and other parts of their education required in the United States.

The CHAIRMAN. Mr. Fairbank.

Mr. FAIRBANK. I hope that Mr. Sargeant's reference yesterday to the possibility of the indoctrination of Chinese students in democracy will not be followed out in any way that I have ever heard that indoctrination would be conducted. You may recall that Chiang Kai-shek had an indoctrination program for his own officers, his indoctrination of intellectuals seemed to backfire pretty regularly; and any effort that we might make through government agencies to give Chinese students in this country more conviction of the supremacy of democracy, and so forth, couldn't be very effective if you know anything about Chinese students. There could, however, be an energetic effort through universities to try to make them a little more comfortable while they are here, that is an opportunity, it seems to me, for the Department to stimulate and energize educational institutions who would then do something in their best judgment.

The CHAIRMAN. Mr. Decker.

Mr. DECKER. Mr. Chairman, the missionary interests have strengthened and are planning further to strengthen the work of the committee on friendly relations among foreign students. We have new and very promising leadership in it and I think that that suggests a field where we can operate without fear of running into the dangers to which Dr. Fairbank rightly refers; that is to say, to increase the opportunities for the ordinary friendly contact of the students as persons with American persons and families, the more intimate side of American life. Now, there is, to my way of thinking, the key to the student problem; it is not necessarily in the amount of money that we have available for scholarships, that is important, but it does hinge on the opportunities that are given them for intimate personal knowledge of the deeper qualities of American life.

The CHAIRMAN. Mr. Cleveland.

Mr. CLEVELAND. Mr. Chairman, if I am not mistaken, I think that provision for the transfer of \$4 million from the China aid economic program to the State Department was included in the ECA program bill signed by the President a couple days ago; so I don't know whether the State Department physically has the money, but it is there.

The CHAIRMAN. Mr. Johnstone.

Mr. JOHNSTONE. We don't have the money but there are details to be worked out and a clearance with the Appropriations Committee to be worked out on the final transfer.

The CHAIRMAN. Well, gentlemen, the Department of State does not issue diplomas for courses of this kind; if it did, it would issue them to the members of the Department who have been sitting at your feet for great profit for 3 days. However, by virtue of the authority vested in me, I confer upon all of you the right of extension of remarks, with all of its privileges and immunities, and I hope that you will take advantage of it to send us in writing any further observations which you may care to make, and particularly I think we would find it very valuable if, in the light of our conversations here during these 3 days, you would take another look at the list of questions which were distributed and see whether you would care, either in yes and no fashion or in an amplified form, to let us have with reference to those questions the views which you would like to express.

I want to say for my own part and for the part of the Department, not only those who are here but those who will have an opportunity to study the record of our discussions, that we are extremely grateful to you for coming. It has been most helpful to us and I hope that we will have other occasions to meet with you and to discuss some of these problems as the scene develops. Thank you very much.



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(NOTE.—The Senate Internal Security Subcommittee attaches no significance to the mere fact of the appearance of the name of an individual or an organization in this index)

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